

AMEC/President Letter No. 01/2019

São Paulo, March 21st, 2019

To

Ms. Sheila Fraser
Chair of the Nominating Committee
IFRS Foundation
Columbus Building, 7 Westferry Circus
London E14 4HD
United Kingdom
jrobinson@ifrs.org

Re: Americas Trustee – Support Letter

Dear Ms. Fraser,

The Association of Capital Market Investors – Amec – is a non-profit association established in 2006 that gathers, among its members, 60 institutional investors, third-party fund managers, either affiliated to financial institutions or independent, based in Brazil or abroad, in addition to pension funds and development banks with more than USD 300 billion in equity mandates in Brazil. In 2018 Amec received the ICGN Excellence in Corporate Governance Award, recognizing the quality and impact of its work in relation to capital markets.

As part of its activities, Amec works on the defense of minority shareholder rights in publicly-held companies and seeks to interact with governmental authorities and regulatory and self-regulatory agencies in a diligent and participative manner with a view to improving the standards, rules of conduct and procedures to the evolution of the Brazilian capital markets in association with the promotion of actions to encourage good corporate governance practices. In the past we have engaged with the IFRS Foundation to discuss several accounting agendas, from public consultations to our initiative to discuss the governance of accounting.

We share the view of Mr. John Kingman in the Independent Review of the Financial Reporting Council: “[Regulation] should be firmly driven by the interests of consumers and users of audited figures, not producers or the audit profession”. We believe that this also applies to the development and oversight of accounting standards. Amec is one of the main representatives of “users” of financial information in Latin America – and therefore we consider it relevant to bring our opinion to the IFRS Foundation.

We learnt of the candidacy of Mr. Leonardo Porciúncula Gomes Pereira to the Americas Trustee position, and would like to hereby express our support for his appointment.

Mr. Pereira is the former chairman of the Comissão de Valores Mobiliários – CVM, the Brazilian capital markets regulator, from 2012 to 2017. He is currently a member of the board of three Brazilian public companies: Smiles, CCR and Intermédica. He chairs Vale’s Independent Commission for Recovery (set up following the Brumadinho event), is a member of the board of Fundo Garantidor de Crédito (Brazilian FDIC), and is a member of the Independent Expert Oversight Advisory Committee (IEOAC) of the World Health Organization, among other advisory roles.

He had previously a long career in leadership roles in the corporate and in the financial sectors in Brazil. In all these positions, he always took firm and public positions about the importance of enhancing and keeping higher accounting practices in Brazil and globally.

We strongly believe Mr. Pereira will be able to give a very positive contribution as a Trustee of the IFRS Foundation. Firstly, he satisfies all of the requirements listed on your posting for the position. His leadership of CVM is perhaps the utmost “top-level experience in an organization with an interest in accounting standards”. But we call special attention to his votes as a member of the board of CVM, in which he demonstrated not only deep understanding of IFRS standards, but also a high level of independence that is required to make these judgments. This independence is another special trait that Mr. Pereira would bring to the Board of Trustees. His five years at the CVM is also a strong example of commitment to serve the public interest, especially when we consider the dire straits imposed to the CVM by the Brazilian macroeconomic problems – including a very low pay to its directors.

Financial knowledge is self-evident from his CV, including his role as CFO of several public and private companies in Brazil. We also believe that based on his current roles, he would be able to devote the required time to the position on the Board of Trustees.

In summary, we believe Mr. Pereira is uniquely qualified to contribute to the IFRS Foundation, especially considering, as mentioned the interests and views of the users of financial information.

We remain available to answer any inquiries you make have concerning this letter of support.

Sincerely,

THE ASSOCIATION OF CAPITAL MARKETS - AMEC
MAURO RODRIGUES DA CUNHA
CEO