

The image features three European Union flags, each with twelve yellow stars on a blue field, flying on tall silver poles. The flags are positioned in the foreground, with a modern, multi-story glass and steel building in the background. The building's facade is composed of a grid of windows and structural elements, creating a complex geometric pattern. The overall scene is brightly lit, suggesting a clear day.

EU Key Regulations

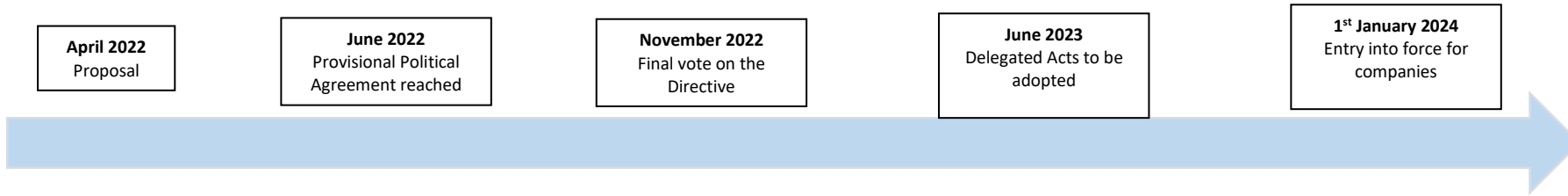
April 2023



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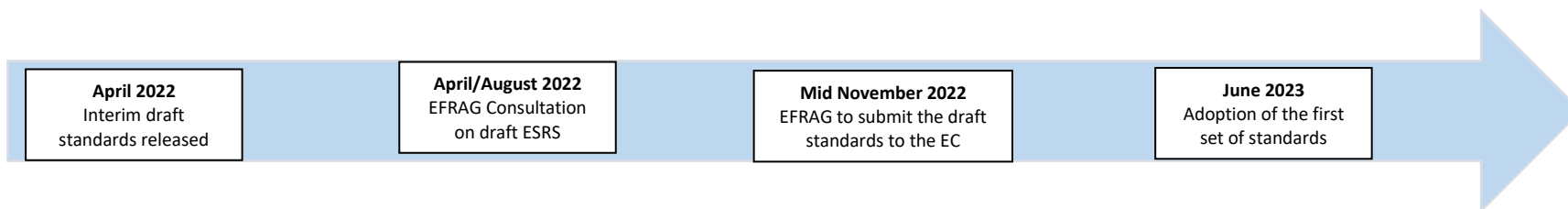
1. Corporate Sustainability Reporting Directive - Proposal (April 2022)



European Commission	European Parliament	ECIIA Actions	Stakeholders' Opinion/Papers
<p>April 2022: Proposal</p>	<ul style="list-style-type: none"> 21 June 2022: the Parliament and the Council reached a provisional political agreement; 14 July 2022: the JURI committee (Pascal Durand, rapporteur) approved the text agreed at 1st reading interinstitutional negotiations. <p>JURI (Responsible) <u>Rapporteur:</u> Pascal Durand (Renew) <u>Shadow rapporteurs:</u> Daniel Buda, Lara Wolters, Marie Toussaint, Gilles Lebreton, Raffaele Stancanelli, Manon Aubry</p> <p>Committee for opinion : FEMM – Draft Opinion <u>Rapporteur :</u> Robert Biedron</p>	<p>July 2021: Responses to the EC consultation; and ECIIA reaction</p> <p>Jan 2022: ECIIA has reacted to the discussion of the amendments about the CSRD at the Juri Committee. We emphasize the role of internal auditors in the “assurance chain” and the need for clear standards.: here</p> <p>Dec 2022: ECIIA develops factsheet to inform the members</p> <p>Jan 2023: meeting with DG Fisma (A. Delia Mehedintu and ,W. Mohlmann)</p> <p>Jan 31, 2023: webinar for the members</p>	<p>.ecoDa reaction: Comment Letter to the EC related consultation</p>

	<p>DEVE– Draft Opinion <u>Rapporteur</u> : Pierfrancesco Majorino</p> <p>AFET – Draft Opinion <u>Rapporteur</u> : Karin Karlsbro</p> <p>ECON – Draft Opinion <u>Rapporteur</u> : Jessica Polfjärd</p> <p>EMPL – Draft Opinion <u>Rapporteur</u> : Kira Marie Perer-Hansen</p> <p>ITRE – Draft Opinion <u>Rapporteur</u> : Cristian-Silviu Busoi</p> <p>ENVI – Draft Opinion <u>Rapporteur</u> : Lidia Pereira</p> <p>Final : Council gives green light to CSRD on Nov 28, 2022 – Published on 05/01/2023 and implementation by member states in 18 months</p>		
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2. European Sustainability Reporting Standards - Developed as part of the CSRD - [Interim Draft](#) (April 2022- EFRAG)



European Commission	European Parliament	ECIIA Actions	Stakeholders' Opinion/Papers
<ul style="list-style-type: none"> • EFRAG consultation papers • EFRAG submitted the first set of draft ESRS to the European Commission in Nov 2022 (to finalise in June 2023) • EFRAG announced the postponed of sectorial standards developments 		<ul style="list-style-type: none"> • August 2022: ECIIA response to consultation • August 2022: meeting with K Katsouli (EFRAG TREG) • December 2022: ECIIA developed factsheet 1 & 2 to inform the members • January 2023: meeting with GRI CEO and EFRAG Board member: E van der Enden • February 2023: meeting with W. Bartels -member of the sustainability reporting Board EFRAG 	<ul style="list-style-type: none"> • Business Europe: Response to the EFRAG consultation (Part one / Part two); • ESMA: Response to the EFRAG consultation; • Accountancy Europe: Response to the EFRAG consultation; • ecoDa : Response to EFRAG consultation on the ESRS interim draft and Comment Letter

		<ul style="list-style-type: none"> • February 2023: factsheet 3 • Since March 2023: member of European Issuers ESG Committee • March 2023: part of Accountancy Europe ESG committee • March 2023: webinar with Workiva on ESG and the paper ecoDa, Ferma, ECIIA • March 2023: webinar ESG: call for action organized by Audit talks 	
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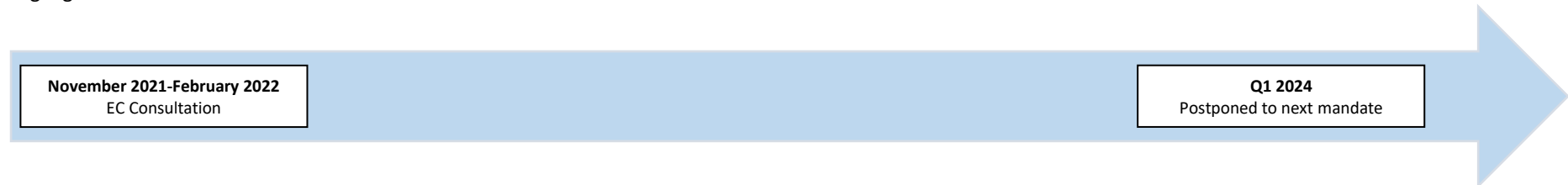
3. Corporate reporting – improving its quality and enforcement

[Call for evidence](#) (November 2021)

Objectives of the future proposal

- Corporate governance: ensure that companies strengthen the quality of their corporate reporting and to reinforce the responsibilities of company boards and audit committees to achieve this objective. The initiative will look at the role and responsibilities of company boards for corporate reporting, their accountability and the role that internal controls can play in achieving high-quality reporting. It will also assess how audit committee can become more effective.
- Statutory audit: enhance audit quality and audit supervision by increasing auditors’ incentives to focus on their public interest role, removing (potential) conflicts of interest and ensuring effective, efficient and consistent audit supervision.
- Supervision of corporate reporting: ensure effective, efficient and consistent supervision of corporate reporting. It should also increase transparency of the work of supervisors, allowing for appropriate accountability and communication to interested stakeholders and the general public.

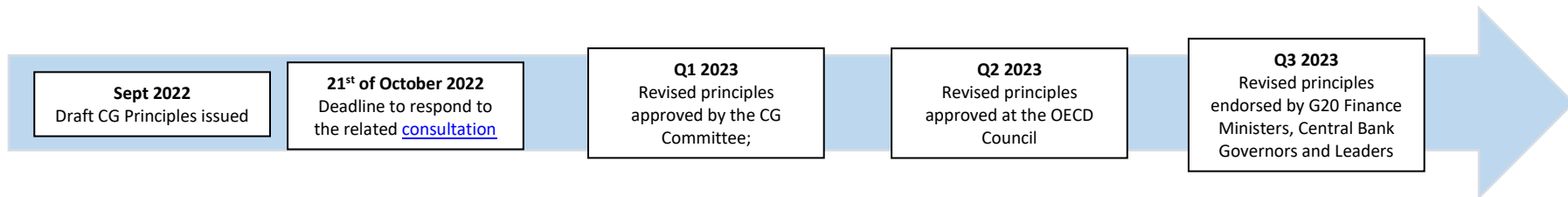
Highlight on the 3 lines model



European Commission	European Parliament	ECIIA Actions	Stakeholders' Opinion/Papers
<ul style="list-style-type: none"> • November 2021 – February 2022: EC related consultation; • July 2022: Summary report of the results of the consultation; • Official announcement that the project is reported to the next EC mandate 		<ul style="list-style-type: none"> • February 2022: ECIIA reaction • June 2022: meeting with CEAOB • January 2022: meeting with DG Flsma • February 9; participation to a RT presenting the Oxera report • February: meeting with European Contact Group Head 	<ul style="list-style-type: none"> • Consultation: Responses received;

4. Review of the G20/OECD Principles of Corporate Governance

Review of the CG principle: high level principles and need to stress more IA role and necessity to have a IA department



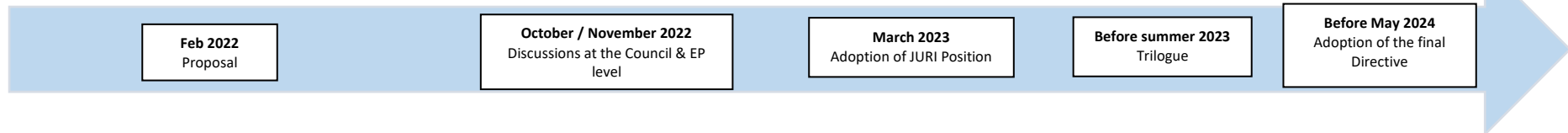
OECD	ECIA Actions	Stakeholders' Opinion/Papers
<ul style="list-style-type: none"> • September 2022: The OECD released the draft Corporate Governance Principles reviewed; • September to the 21th of October: Public consultation on the draft revisions of the OECD Principles of Corporate governance. 	<ul style="list-style-type: none"> • Coordination with IIA Global and reaction to the consultation • November 2022: Participation to the European Corporate Governance conference with rep from OECD • January 2023: meeting OECD representatives with IIA Global • February 9 2023: participation to panel discussion organized by Accountancy Europe and discussion with OECD representatives • February: meeting with OECD representatives, together with IIA Global 	<ul style="list-style-type: none"> • ecoDa reaction insistaing on IA: here

5. Corporate Sustainability Due Diligence - Proposal (February 2022)

Points for discussion:

Role of IA in

- Identify, prevent, mitigate, and minimise actual or potential adverse human rights and environmental impacts (quantitative and qualitative information). It includes the verification by an independent third party, if necessary
- Establish and maintain a complaints procedure
- Carry out periodic assessments (at least every 12 months) of their own operations and measures, those of their subsidiaries
- Adopt a plan to ensure that the business model and strategy of the company are compatible with the limiting of global warming to 1.5 °C



European Commission	European Parliament	Council	ECIIA Actions	Stakeholders' Opinion/Papers
<p>14 September 2022: the Commission put forward a legislative proposal in the form of a regulation that prohibits all products made with forced labour on the EU market. The Commission will issue guidelines on forced labour due diligence and on risk indicators of forced labour authorities will enforce the ban at EU borders.</p>	<p>JURI Committee (responsible): <u>Rapporteur:</u> Lara Wolters (S&D) <u>Shadow Rapporteurs:</u> Axel Voss, Adrian Vazquez Lazara, Heidi Hautala, Jorge Buxadé Villalba, Manon Aubry; <u>Calendar:</u></p> <ul style="list-style-type: none"> • 27th of November: EP - Presentation of the draft report; • 13th of December (tbc): Deadline for amendments; 	<p>7th of October: Council Presidency Compromise:</p> <ul style="list-style-type: none"> • Replacement of established direct and indirect business <i>relationships by partners</i> - (the significance should be related to the company's operations and turnover + repeated for a number of times/ reevaluation every 24 months) Ancillary part of the value chain can be ignored; 	<ul style="list-style-type: none"> • Monitoring 	<p>May 2022 Consultation: <u>Responses received</u> (a summary is currently being made by the Commission); January 2023: common reaction of European Associations against current proposal</p>

6. Artificial Intelligence Act

The Commission is working on implementing the AI Act, which was proposed by the Commission on 21 April 2021 and is officially planned to be finished by Autumn 2023. The AI Act is supposed to create a harmonised legal framework for disclosure and due diligence on AI applications based on their risk, throughout the EU. The proposed approach includes the following categories and respective measures:

- Unacceptable risk – will be marked illegal.
“All AI systems considered a clear threat to the safety, livelihoods and rights of people will be banned, from social scoring by governments to toys using voice assistance that encourages dangerous behaviour.”
- High risk – will be subject to high disclosure standards. “AI systems identified as high-risk include AI technology used
- No risk : no reporting

Regulations	ECIIA actions	Other actions
<p>The latest developments on this proposal include the adoption of a general approach by the Council December 6 th 2022.</p> <p>What happens now is that the Parliament will vote for the AI Act draft during the end of March, after which the trilogue negotiations with the Commission and Council will begin.</p> <p>Also, the launch of OpenAI’s ChatGPT and competing AI search engines recently caused a delay in the Parliamentary negotiations on the law, which were due to be done on the 17 th of February 2023. The main points of conflict regard the list of AI uses that pose a significant risk, the list of prohibited practices (including text writing using ChatGPT), and the scope of the Act (including what definition of AI should be used). EU lawmakers in the leading European Parliament committees are voting on the political agreement on the AI Act on 26 April, with many questions being settled but a few critical issues still open.</p> <p>According to the normal timeframe of adopting legislation, the proposal will likely become law only late 2023, after Autumn.</p>	<p>ECIIA is finalizing a position paper with the Insurance Committee on this topic</p>	