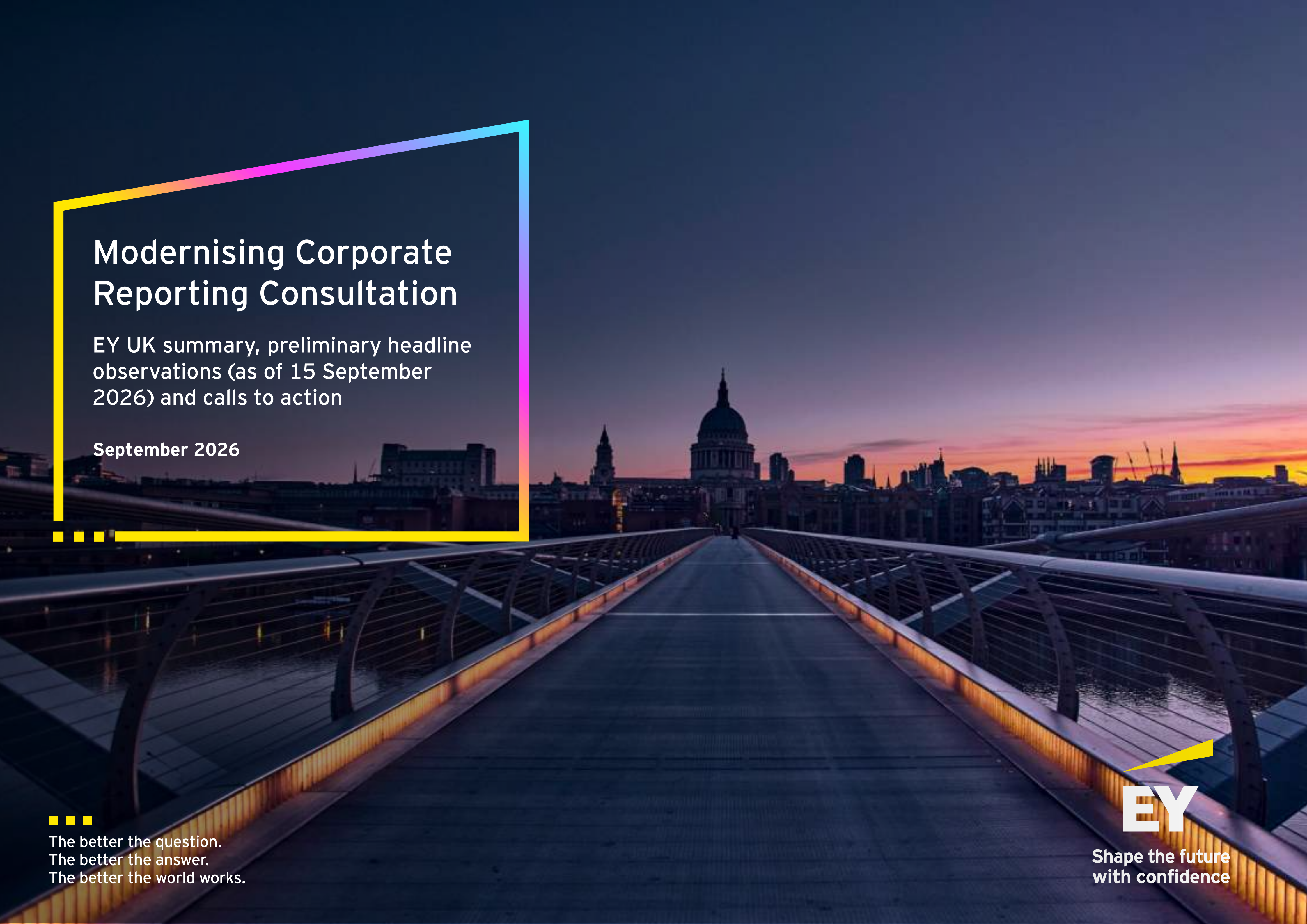

Modernising Corporate Reporting Consultation

EY UK summary, preliminary headline observations (as of 15 September 2026) and calls to action

September 2026

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We welcome the Modernising Corporate Reporting (MCR) consultation issued on Monday 7 September by the Department for Business, Innovation, Science and Trade (BIST, formerly DBT).

The consultation is intentionally high-level, setting out broad policy intentions and a direction of travel rather than detailed, fully developed proposals. The government has signalled that it is open to alternative ideas on how best to deliver a simpler, more modern and more focussed UK reporting framework. This provides stakeholders with a valuable opportunity to influence both the substance of the proposals and the wider reform agenda. **It is therefore critical that companies, investors, creditors and other interested stakeholders engage with the consultation and respond by 30 November to ensure their views are reflected in the development of the final policy measures.**

The MCR consultation represents the next phase of the government's corporate reporting reform agenda, building on measures announced in October 2025 aimed at reducing reporting burdens. Those measures include exempting most medium-sized private companies from preparing a strategic report, exempting wholly owned subsidiaries from preparing a strategic report where they are covered by a UK parent's reporting, and abolishing the directors' report. Legislation to give effect to these reforms is expected to be brought forward in due course.

Viewed as a whole, the consultation can be characterised by two overarching themes:

- **A broad system reset:** The consultation extends well beyond a limited review of reporting requirements. It considers reforms across company size classifications, financial and strategic reporting, corporate governance, remuneration reporting, audit and assurance, and digital reporting. While the proposals have implications for businesses of all sizes, the most significant effects are likely to be felt by private companies, given that many reporting obligations applicable to listed companies arise from other regulatory sources, including the Financial Reporting Council's UK Corporate Governance Code and the Financial Conduct Authority's Disclosure Guidance and Transparency Rules, which fall outside the scope of this consultation.
- **A clear deregulatory direction of travel:** The proposals are underpinned by a commitment to reducing unnecessary reporting and audit burdens, particularly for small and medium sized entities (SMEs) and private companies. The package seeks to simplify requirements, lower compliance costs and improve proportionality by aligning reporting obligations more closely with a company's size, ownership structure and economic significance.

The government is also introducing a **'Reporting Gateway'** function which is essentially a cross-Whitehall challenge and oversight function over the introduction of new reporting requirements in future policy-making processes to test whether proposed disclosures are coherent, proportionate, decision-useful and cost-effective before they are introduced.

The sections that follow summarise the key proposals in the consultation, organised by theme rather than consultation chapter, together with our initial observations and early thoughts on areas where stakeholders may wish to engage. These observations are necessarily preliminary. We will continue to discuss the proposals with Government, companies, investors, creditors and other stakeholders, and further reflect on their implications before finalising our own response to the consultation. We hope our perspectives as set out below help stimulate discussion and support stakeholders in formulating their own views on the proposals.

If you would like to discuss any of the proposals in the consultation or EY UK's preliminary headline observations, please email your usual contact or uk.gpp@uk.ey.com.

This consultation, issued by Government on 7 September 2026, is deliberately high-level, setting out broad policy intentions and a deregulatory direction of travel rather than detailed, fully developed proposals. The Government has signalled that it is open to ideas and feedback. Companies, investors and creditors should therefore engage with the consultation and respond by 30 November to help shape a simpler, more modern and more focused UK reporting framework.

12. Further digitise corporate reporting
- New director approval responsibilities for electronic formatting and auditor reporting on taxonomy and formatting.
- Moving selected disclosures to company websites or online portals.

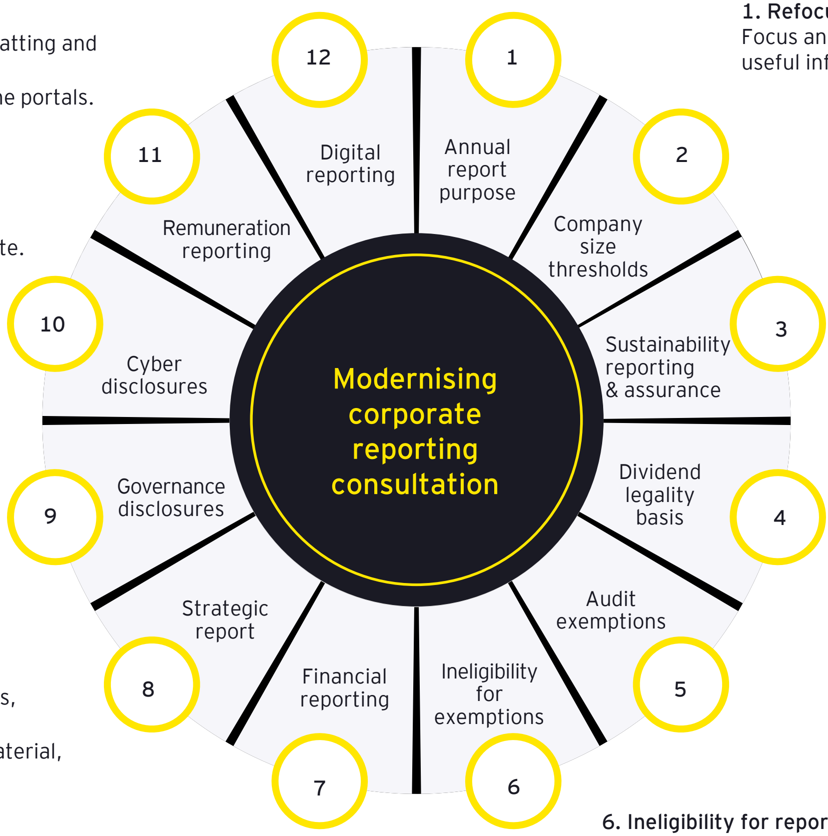
11. Remuneration reporting
- Retain core disclosures supporting scrutiny of executive pay and board accountability.
- Simplify or remove requirements with limited decision-usefulness and consider removing the annual advisory vote.

10. Consider a specific cyber disclosure
- A new cyber risk management disclosure for very large companies.
- Possible content includes governance, use of cyber guidance and whether a cyber incident response plan exists.

9. Governance disclosures
- Questions whether some or all governance disclosures could be located on a website.
- Move private company governance reporting (under MRR 2018) from individual companies or subsidiaries to group level.

8. Move to a more principles-based strategic report
- Replace detailed requirements with baseline reporting on business model, performance, resources and relationships, strategy and risks.
- Give directors greater flexibility to focus on financially material, decision-useful information.

7. Re-imagine the financial reporting framework
- Make accounting standards the primary source of detailed financial reporting requirements.
- Simplify the framework around four standards: UK-IAS and separate UK GAAP standards for large companies, SMEs and micro-entities.



1. Refocus the purpose of the annual report
Focus annual reports and accounts on financially material, decision-useful information for investors and creditors.

2. Simplify company size thresholds and definitions
- Introduction of a "very large" company threshold.
- Questions on FTE and employee thresholds to reassess how economic significance can be determined.

3. Sustainability reporting and assurance
- The consultation does not settle the scope of UK SRS, transition plans or the future of CFD.
- Seek greater transparency where voluntary assurance is obtained, including scope, level, provider and standards.
- Require sustainability information in the annual report to be strategic and financially material.

4. Solvency-based dividend regime
- Replace distributable profits and capital maintenance rules with a solvency-based approach.
- Directors would state that a dividend does not affect the company's ability to continue as a going concern.

5. Extend audit exemptions and add voluntary assurance
- The small company audit exemption extended to all SMEs and simplifying audit exemptions for wholly owned subsidiaries.
- Develop a lower-cost voluntary assurance standard for users that continue to seek confidence in SME accounts.

6. Ineligibility for reporting and audit exemptions
- Broaden access to reporting and audit exemptions where exclusion arises through group membership.
- Consider access to exemptions for smaller insurers following changes to the Solvency II regime.

Topic	EY UK preliminary headline observations as of 15 September 2026 – summary
1. Purpose of the annual report	Strong support for refocussing the purpose of annual reports on the needs of investors and creditors. The annual report should be a corporate reporting document, not a public policy tool, and therefore information which doesn't meet the primary users' needs should be reported through more appropriate channels.
2. Company size thresholds and definitions	Support a new 'very large' category and a more proportionate framework. The consultation provides an opportunity to think beyond traditional size metrics and reconsider how economic significance should be assessed.
3a. Location of sustainability disclosures	Support restricting annual report sustainability disclosures to information that is financially material. A separate 'other information' section could provide a home for disclosures required by legislation but not financially material to providers of capital.
3b. Sustainability reporting and assurance	Greater clarity is needed on the relationship between UK SRS and CFD, including whether UK SRS will ultimately replace CFD and which private entities would fall within scope of the resulting framework. An appropriate roadmap for companies will be critical.
4. Basis for dividend legality	A solvency-based regime could reduce complexity and increase flexibility, but reform should be assessed through a broader public-interest lens, including long-term business resilience and the consequences of corporate failure.
5. Audit exemptions and voluntary assurance	Support simplifying subsidiary audit exemptions and developing a voluntary assurance standard. Broader SME audit exemptions require careful consideration, particularly as relates to their impact on confidence; information needs of creditors and lenders; audit market choice and smaller audit firms.
6. Ineligibility criteria for exemptions	Support a more proportionate approach to accessing exemptions when ineligibility arises solely because of group membership. Regulatory objectives should generally be achieved through targeted sector regulation rather than broad exclusions within company law.
7. Financial reporting framework	Support making accounting standards the primary source of detailed reporting requirements. The greatest opportunity for burden reduction lies in creating a genuinely simplified SME accounting framework, including simplification of complex requirements such as lease accounting.
8. Principles-based strategic report	Strong support for a principles-based strategic report. Success will depend on avoiding supplementary guidance becoming de facto reporting requirements over time highlighting the need to limit guidance to technical, FAQ-style clarifications.
9. Governance disclosures	Governance reporting remains important because it provides context on how businesses are directed, controlled and overseen. Governance should be described through a single integrated narrative, including, where relevant, oversight of sustainability matters.
10. Cyber disclosures	Cyber risk is sufficiently significant to justify consideration of more consistent reporting, but care is needed to avoid creating a precedent whereby each new risk theme generates a separate disclosure framework.
11. Remuneration reporting	Support reducing remuneration reporting burden and removing disclosures which are duplicative or which have limited incremental value.
12. Digital reporting	Detailed tagging requirements reflect a digital reporting model that may become outdated. Greater value may arise from improving report structure, consistency and information architecture than from expanding tagging requirements and related assurance obligations.

Topic and key proposals	EY UK preliminary headline observations	Call to action
1. Refocussing the purpose of annual report on the needs of investors and creditors The consultation proposes that annual reports and accounts should be focussed on providing financially material and decision-useful information to existing and potential investors and creditors. This would establish a clearer purpose for corporate reporting, support economic decision-making, and inform proposals to simplify and streamline disclosure requirements.	We support refocussing the annual report and accounts on the needs of investors and creditors as it establishes a clear objective for corporate reporting and a basis for reducing unnecessary disclosure requirements. The annual report should be a corporate reporting document, not a public policy tool. Refocussing reporting on the needs of investors and creditors creates a clearer basis for determining which information belongs in the annual report and which should be reported elsewhere. Information included primarily to meet policy, regulatory or wider stakeholder objectives, rather than investor and creditor needs, should be reported through more appropriate channels. The same objective should apply consistently across both the strategic report and the financial statements.	Companies, investors and creditors should identify disclosures that support investment and lending decisions, and those that would be more appropriately reported through websites, portals or other reporting channels.
2. Company size thresholds and definitions The consultation proposes simplifying company size categories, thresholds and exemptions, including introducing a new 'very large' company threshold for certain non-financial reporting requirements, while making clear that there are no plans to apply this threshold to financial statement requirements. It also seeks views on which companies should be subject to strategic reporting requirements, including whether reporting should apply to public companies only or extend to certain private companies. In addition, the consultation explores updating the employee threshold by allowing companies to use full-time equivalent (FTE) employees, or another measure better reflecting modern workforce models, rather than relying solely on employee headcount.	We support the introduction of a 'very large' company category where it enables reporting requirements to be targeted more proportionately and reduces unnecessary burdens for companies below the threshold. Thresholds should, however, be considered holistically. Over time, different reporting regimes have adopted different scoping criteria, creating unnecessary complexity and fragmentation. Companies Act should establish the baseline reporting framework for UK-incorporated companies. Additional requirements arising from access to public capital markets should generally be determined by the FCA through the UKLR and DTR regimes, rather than through company law. The consultation also provides an opportunity to challenge traditional approaches to determining reporting obligations. Asset values, turnover and employee numbers have long been used as proxies for economic significance, but changing business models may warrant consideration of alternative measures.	Companies, investors and creditors should consider whether current size thresholds remain appropriate, how scoping criteria can be simplified across reporting regimes, and whether alternative measures of economic significance should be explored.

Topic and key proposals	EY UK preliminary headline observations	Call to action
3. Location of sustainability disclosures within the annual report The consultation proposes giving companies flexibility to determine how sustainability information is presented, including integrating it within the strategic report or presenting it in a separate section of the strategic report. However, the Government is clear that all sustainability disclosures within the annual report should be strategic and financially material in nature, regardless of where they are located.	We support the principle that sustainability disclosures included within the annual report should be strategic and financially material. However, this creates a challenge where legislation requires disclosures regardless of their financial materiality, such as SECR disclosures and payment practices and performance disclosures (payments to suppliers). Where information is not financially material to investors and creditors, the default should be reporting through on-line portals. Where foreign legislation, such as the EU Corporate Sustainability Reporting Directive (CSRD) requires impact-based disclosures to be included within the annual report, a clearly demarcated "other information" section could provide an appropriate home.	Companies subject to both UK and overseas reporting regimes, particularly CSRD, should assess whether a clearly defined "other information" section provides a practical mechanism for accommodating impact-based disclosures within the annual report. If not, they should articulate an alternative solution or argue against the proposed restriction of annual report sustainability disclosures to those that are strategic and financially material.
4. Sustainability reporting and assurance The consultation does not include proposals on the future application of UK Sustainability Reporting Standards (UK SRS), including the size and types of private entities that may ultimately be brought into scope, nor on transition plan reporting. It also does not include proposals on the future of climate-related financial disclosures (CFD), which are being considered through a separate post-implementation review. The SECR regime will remain in place, with a separate consultation planned on longer-term reform options. In respect of assurance, the Government does not propose mandatory assurance over UK SRS or other strategic reporting at this stage but seeks views on requiring greater transparency regarding whether assurance has been obtained, its scope, level, provider and applicable standards.	Companies need greater certainty on the longer-term future of the CFD regime and its relationship with UK SRS and other climate related reporting requirements, such as the SECR regime. In particular, clarification is needed on whether UK SRS is intended to replace CFD for companies within scope and whether this would change the population of companies subject to sustainability reporting requirements. Currently, the SECR regime contains several differences from UK SRS as to how greenhouse gas emissions are calculated. Eliminating duplication and determining the appropriate channel for any valid requirements beyond UK SRS should be a focus for longer-term reforms.	Companies, investors and creditors should articulate their preferred long-term relationship between UK SRS and CFD, including whether UK SRS should ultimately replace the CFD regime. They should also provide views on the categories of entities that should fall within the scope of UK sustainability reporting requirements and the conditions that should determine that scope.

Topic and key proposals	EY UK preliminary headline observations	Call to action
5. New basis for determining the legality of dividends The consultation explores replacing the current distributable profits and capital maintenance regime with a solvency-based approach to determining the legality of dividends. Under the proposed model, companies would be required to state that a dividend payment would not affect their ability to continue as a going concern, removing the need for the existing complex rules on distributable profits and capital maintenance.	This proposal requires particularly careful consideration in the context of past corporate failures and ongoing viability challenges faced by UK businesses where dividend payments have, in some cases, contributed to financial distress. A solvency-based dividend regime could reduce complexity and provide greater flexibility than the current distributable profits and capital maintenance regime. Such an approach is used in some other jurisdictions.. However, the desired outcome of reform should be clear. A regime designed to maximise flexibility may produce different outcomes from one focussed on creditor protection or long-term business resilience. Solvency alone may not be sufficient if dividend payments weaken a company's future sustainability or investment capacity.	Companies, investors and creditors should assess the proposal through a public interest lens, considering not only flexibility and immediate solvency, but also long-term business resilience and the wider consequences of corporate failure. They should articulate whether a solvency-based approach provides sufficient safeguards or whether additional protections are needed.
6. Additional audit exemptions and a voluntary assurance standard The consultation seeks views on extending the existing small company audit exemption to all SMEs, including medium-sized companies, on the basis that the costs of a mandatory audit may not always be justified. It also proposes simplifying the subsidiary audit exemption by removing the requirement for a parent company guarantee and allowing wholly owned subsidiaries to rely on a group audit report instead. Recognising that some lenders and other stakeholders may continue to seek assurance over SME financial information, the consultation proposes that a new voluntary assurance standard should be developed. The aim would be to provide a form of assurance which has a lower cost than a full statutory audit while still giving users confidence in SME accounts.	We support simplifying the subsidiary audit exemption, given wholly owned subsidiaries are already included within the scope of a group audit. More generally, extending audit exemptions would not prevent companies from obtaining a statutory audit where this remains valued by lenders, shareholders or other stakeholders, allowing assurance to be better aligned with individual circumstances and user needs. Exempting all SMEs from audit requirements, however, requires careful consideration, particularly if companies are not captured by an alternative, lower-cost form of assurance. We support the development of a voluntary assurance standard and encourage active engagement from the finance community to help shape its design and suitability for different users of financial information. The wider ecosystem implications should also be considered. Expanded audit exemptions may disproportionately affect smaller audit firms serving the SME market, potentially reducing choice, competition and resilience within the audit profession.	Lenders, investors, creditors and the wider finance community should articulate the circumstances in which a statutory audit is genuinely required and whether a lower-cost assurance alternative could meet their needs. Their views will be critical in determining whether expanded audit exemptions are practical and whether a voluntary assurance standard would command sufficient confidence in the market.

Topic and key proposals	EY UK preliminary headline observations	Call to action
7. Revisiting ineligibility criteria for reporting and audit exemptions The consultation proposes revisiting current ineligibility criteria to broaden access to reporting and audit exemptions. Reflecting recent reforms to the Solvency II regime, smaller insurers could become eligible for exemptions currently unavailable to them. It also seeks views on allowing micro-entities and SMEs that are currently prevented from accessing exemptions solely because they are members of an ineligible group containing a regulated financial services entity to benefit from relevant accounting, reporting and audit exemptions.	We support a more proportionate approach to the current ineligibility regime, whether ineligibility arises as a result of being part of a group containing a public company, a traded company or a regulated financial services entity. As noted in 2 above, rather than creating broad exclusions within the Companies Act framework, regulators should use targeted measures within their own regulatory perimeters to achieve their objectives. We are also supportive of relaxing the current restrictions for smaller insurers following reforms to the Solvency II regime. However, these entities would continue to be Public Interest Entities (PIEs) and would therefore remain subject to enhanced requirements, including PIE audit requirements, regulatory supervision and audit committee requirements. The interaction between these enhanced requirements and the proposed reporting and audit exemptions should be considered carefully; further consequential relaxations may be needed if the intended benefits of the reforms are to be fully realised.	Groups that are currently denied access to reporting and audit exemptions solely because they contain a regulated financial services entity should quantify the number of entities affected and the compliance costs created by the current ineligibility regime. This evidence will be important in assessing whether the regulatory benefits of the existing restrictions outweigh the costs of compliance.
8. Re-imagining the financial reporting framework The consultation proposes removing detailed financial reporting requirements from the Companies Act 2006 and supporting Regulations, with accounting standards becoming the primary source of detailed reporting requirements. The framework would be simplified around four main standards: ▪ UK-IAS, ▪ UK GAAP for large companies, ▪ A new UK GAAP for SMEs, and ▪ UK GAAP for micro-entities. It also proposes aligning the application of the 'true and fair' requirement across UK-IAS and UK GAAP accounts, while replacing the current 'true and fair' concepts for SMEs and micro-entities with requirements to comply with the applicable accounting standard.	We support the proposal to make accounting standards the primary source of detailed financial reporting requirements and to simplify the relationship between the Companies Act and accounting standards. To achieve optimal burden reduction, simplification needs to extend beyond framework architecture to the accounting requirements themselves. The greatest opportunity lies in the proposed SME accounting framework. A new UK GAAP for SMEs should be designed around the needs and capabilities of SMEs and deliver meaningful recognition and measurement simplifications, rather than simply reproducing a streamlined version of existing requirements. In particular, careful consideration should be given to whether increasingly complex requirements, such as on-balance-sheet lease accounting, are proportionate for SME preparers and users.	We encourage SMEs and other preparers to identify the areas of accounting that create the greatest cost and complexity in practice.

Topic and key proposals	EY UK preliminary headline observations	Call to action
9. A more principles-based strategic report The consultation proposes replacing the current prescriptive strategic reporting framework and many of its detailed disclosure requirements with a baseline reporting model. The new framework would require disclosures on the company's business model, performance, resources and relationships, strategy and risks, while giving directors greater flexibility to focus on information that is financially material and decision-useful for investors and creditors.	We support the move to a more principles-based strategic report focussed on a limited number of baseline reporting categories and the reduction of detailed disclosure requirements, even though we would propose a slightly different set of baseline categories. However, the success of the reforms will depend on maintaining an appropriate balance between baseline reporting requirements and supporting guidance. The legislative framework should be sufficiently comprehensive that supplementary guidance is unnecessary. Over time, guidance intended to illustrate good practice can become a de facto reporting requirement, reducing companies' ability to exercise judgement and remove immaterial information. A more proportionate approach would be to provide only limited, FAQ-style technical guidance covering matters such as scoping, definitions and the interaction between reporting requirements, rather than guidance that sets out disclosure expectations.	Investors and creditors should articulate which aspects of business commentary they genuinely value and rely upon when making decisions. This will help ensure that baseline reporting requirements are focussed on decision-useful information and reduce the risk of unnecessary guidance recreating a checklist-based reporting framework.
10. Governance disclosures The consultation proposes moving private company corporate governance reporting required under the Companies (Miscellaneous Reporting) Regulations 2018 from the individual company or subsidiary level to the group level, reflecting the Government's view that governance, strategy and risk management are typically determined and overseen across the group rather than within individual subsidiaries. The consultation also specifically seeks views on whether some or all governance disclosures could be reported solely on a website rather than in the annual report.	Governance disclosures are often encouraged as a means of cultivating trust with broader stakeholders. However, governance disclosures provide investors and creditors with the context for how a business is directed, controlled and overseen. In addition, existing climate-related disclosure requirements and many sustainability reporting standards require companies to explain how sustainability-related matters are governed. Governance should therefore be described through a single, integrated narrative, including oversight of sustainability-related matters, rather than through multiple topic-specific disclosures. We support the proposal given the current scoping of the Companies (Miscellaneous Reporting) Regulations 2018 is not practical. However, operationalisation will require further consideration for groups that do not prepare UK consolidated financial statements. For such groups, website-based reporting could provide a proportionate solution.	Creditors and investors should articulate the degree of interest they have in understanding how companies they provide capital to are governed and the baseline governance disclosures that would fulfil their needs.

Topic and key proposals	EY UK preliminary headline observations	Call to action
11. Cyber disclosures The consultation seeks views on introducing a specific cyber risk management disclosure for very large companies (with the threshold yet to be determined). The proposed disclosure could cover governance arrangements for managing cyber risk, use of cyber security guidance, and whether the company has a cyber incident response plan, where existing risk reporting is considered insufficient.	Care is needed to avoid creating a precedent whereby individual topics are progressively added to the reporting framework as they emerge. However, we agree with the Government's assessment that cyber risk has become sufficiently significant to warrant a discussion on whether additional, more consistent disclosures are needed. It is also notable that the proposed baseline risk disclosures would no longer require companies to explain how principal risks are managed or mitigated, which, if taken forward, could reduce the extent of current cyber risk reporting. Drawing on our analysis of emerging reporting practices and existing requirements in this area, a proportionate cyber disclosure framework could be structured around four pillars: ▪ **Governance:** Oversight and accountability for cyber risk. ▪ **Risk management:** Identification, assessment and management of cyber risk. ▪ **Resilience:** Preparation for, response to and recovery from cyber incidents. ▪ **Confidence:** Evidence that cyber controls and resilience arrangements are effective.	Companies should be clear about their red lines for cyber reporting and explain which disclosures they believe could create genuine security risks. In doing so, they should recognise that annual reports are unlikely to be a primary source of vulnerability information for threat actors.
12. Remuneration reporting The consultation proposes a more proportionate remuneration reporting regime by retaining the core disclosures that support shareholder scrutiny of executive pay and board accountability, while simplifying or removing requirements considered duplicative or of limited decision-usefulness. In doing so, it recognises that a number of the proposed disclosures for removal continue to be addressed through the UK Corporate Governance Code's 'comply or explain' framework, allowing companies flexibility to provide information where relevant. The consultation also proposes removing the annual advisory shareholder vote on the directors' remuneration report, on the basis that remuneration policy is already subject to a binding shareholder vote every three years.	We are supportive of the proposals to reduce the remuneration reporting burden and remove disclosures that provide limited incremental value. However, relatively few disclosures are being removed without an existing equivalent elsewhere in the reporting framework. While certain prescriptive statutory disclosures may be removed, many of these continue to be required through the UK Listing Rules and the UK Corporate Governance Code's Principles and Provisions.	Investors should explain whether the annual advisory vote on the directors' remuneration report continues to influence board behaviour and shareholder engagement, or whether the existing binding vote on remuneration policy provides sufficient accountability.

Topic and key proposals	EY UK preliminary headline observations	Call to action
13. Digital reporting inc. potential new director and auditor responsibilities The consultation proposes further digitisation of corporate reporting, including requiring directors to approve the electronic formatting of the annual report and accounts (for example, using iXBRL) as part of the report approval process. It also proposes requiring auditors to report on whether electronically formatted annual reports and accounts have been prepared in accordance with the applicable taxonomy and formatting requirements. In addition, the consultation explores whether certain disclosures could be relocated from the annual report to company websites or online portals to reduce complexity and improve accessibility of information.	Detailed tagging requirements reflect a digital reporting model that is likely to become outdated. AI-enabled analytical tools increasingly allow investors and creditors to analyse information directly from well-structured disclosures without the need for extensive tagging. Greater emphasis should be placed on report structure, consistency and clear information architecture, which improve both human usability and machine analysis. The proposed new director and auditor responsibilities make it important to understand the extent to which investors and creditors use tagged information in practice, and whether the benefits justify the additional costs and effort that these requirements would create.	Companies, investors and creditors should provide evidence on the extent to which electronically tagged information is used in practice, and whether the benefits of tagging justify the associated implementation, compliance and potential assurance costs.

Other proposals

- **Virtual AGMs:** Clarify that a virtual location can constitute a 'place' for the purposes of AGMs and other shareholder meetings, where there is shareholder consent, with views sought on any accompanying shareholder safeguards.
- **Electronic shareholder communications:** Make electronic communication with shareholders the default, while retaining a right for shareholders to opt into hard-copy communications.
- **Auditor Identification:** Require companies to notify Companies House of auditor appointments and departures including the audit firm's and signing auditor's registration numbers creating a visible record on the Companies House register. All audit reports and related filings would be linked to unique auditor registration numbers.
- **Not-for-profit accounting standard:** Explore the creation of a dedicated accounting standard for not-for-profit entities to reduce reliance on Statements of Recommended Practice (SORPs) and address challenges arising from applying standards designed primarily for profit-making companies.
- **Payments to Governments Reporting:** Revoke the Reports on Payments to Governments Regulations 2014 (which are broadly applicable to large UK extractive and primary forest logging companies) following a post-implementation review which concluded that the regime has not achieved its intended policy objectives.

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