
IFRS Foundation Trustees meeting – Due Process Oversight Committee

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Topic **ISSB Annual Reporting Protocol**
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This document is prepared for discussion at a public meeting of the IFRS Foundation Trustees' Due Process Oversight Committee (DPOC). The Trustees are responsible for governance of the IFRS Foundation, oversight of the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB), and for delivery of the IFRS Foundation's objectives as set out in the IFRS Foundation *Constitution*.

Purpose

1. This paper considers various matters on which the International Sustainability Standards Board (ISSB) technical staff reports to the DPOC annually:
 - (a) the receipt of comment letters and survey responses including their public availability;
 - (b) the availability of board papers to observers; and
 - (c) the ISSB's dialogue with securities and other regulators.
2. This report is for the year ending 30 September 2024 and no formal action is required to be taken by the DPOC.

Summary

3. The technical staff confirms that:
 - (a) all agenda papers distributed to ISSB members for public ISSB meetings were made available on the IFRS Foundation website. Furthermore, there were no cases in which a document discussed by the ISSB in a public meeting was withheld or had any material removed from observers.
 - (b) regular dialogue has been maintained with securities regulators and prudential supervisors.
4. During the year, no consultation documents were published and hence no comment letters were received.

ISSB papers made available to observers

5. Paragraphs 3.11–3.12 of the *Handbook* explain the importance of making available to observers the papers discussed by ISSB members in their public meetings
6. In the year to 30 September 2024, all agenda papers distributed to ISSB members for public ISSB meetings were made available on the IFRS Foundation website. Furthermore, there were no cases in which a document discussed by the ISSB in a public meeting was withheld or had any material removed from observers.
7. The staff have reported to the DPOC throughout the year on the late posting of papers for ISSB meetings (defined in the *Handbook* as papers posted less than five working days in advance of meetings).

Securities and other regulators

8. Paragraphs 3.55–3.58 of the *Handbook* explain the ISSB’s dialogue with securities and other regulators.
9. The ISSB’s engagement of regulatory authorities is focused on:
 - (a) adoption of the ISSB Standards (including in relation to relevant prudential regulation);
 - (b) education and capacity building (including their assistance in facilitating capacity building with relevant stakeholders); and
 - (c) obtaining input on the ISSB’s ongoing technical work.

Securities regulators

10. During the year to 30 September 2024, the ISSB and relevant staff have maintained extensive dialogue with securities regulators.
11. One of the main vehicles for engaging regulators continues to be through the Jurisdictional Working Group (JWG)¹. The JWG has met at least quarterly during the year to discuss strategic matters relating to the interoperability of the ISSB Standards and matters relevant to the adoption of the ISSB Standards. Together with IOSCO, the JWG has been a key source of input for the development of the Inaugural Jurisdictional Guide for the adoption or other use of ISSB Standards (Jurisdictional Guide) and the Regulatory Implementation Programme. IOSCO is also an observer to the JWG.
12. Throughout the period there has been consistent engagement with IOSCO through several different forums². ISSB members and technical staff have engaged with the IOSCO Sustainable Finance Task Force, with a particular focus on the development of the Jurisdictional Guide, the consultation on the ISSB’s agenda for the next two years as well as on matters related to transition plan disclosures. The ISSB’s engagement with the IOSCO’s Growth and Emerging Markets Committee (GEMC)³ has also been relevant, exploring opportunities for collaboration to support GEMC members deepening their understanding of ISSB Standards and in their adoption considerations. This has included the delivery of a two-day training programme to support IOSCO’s Capacity Building programme.
13. Also, during the period there has been significant engagement bilaterally with various regulators globally as jurisdictions are publicly consulting their stakeholders on the adoption of the ISSB Standards or are finalising regulation introducing ISSB Standards into domestic regulatory frameworks. With the current momentum towards the adoption of ISSB Standards, this type of engagement is continuing to increase.

¹ The Japanese Financial Services Authority, the United Kingdom Financial Conduct Authority and the United States Securities and Exchange Commission and the Chinese Ministry of Finance have been members since the establishment of the JWG in April 2022 along with IOSCO as an observer.

² Including the IOSCO Board, the IOSCO Sustainable Finance Task Force (STF), IOSCO Regional Committees and the IOSCO Committee on issuer accounting, auditing and disclosures (Committee 1).

³ The Growth and Emerging Markets Committee of IOSCO comprises 90 members and 24 non-voting associate members who include the world’s fastest growing economies and 10 of the G-20 members. Emerging economies are expected to represent a growing portion of IOSCO membership as new members continue to join.

Prudential regulators

14. The ISSB has continued its regular dialogue with prudential regulators, including:
 - (a) the Financial Stability Board (FSB) including in relation to transition plan disclosures;
 - (b) the Basel Committee on Banking Supervision (BCBS) on the development of the Pillar III climate-related financial disclosures building from IFRS S2); and
 - (c) the International Association of Insurance Supervisors (IAIS) on their work on climate risk supervisory guidance including the development of an Application Paper that referenced the ISSB Standards.
15. In addition, together with the Network for Greening the Financial System (NGFS)⁴ and the Bank for International Settlements (BIS), a virtual seminar was held on the ISSB Standards in March 2024. ISSB representatives also provided a session to the BIS-NGFS climate-related and environmental risks online course (CEROC) for banking and insurance supervisors, which took place in May/June 2024. There has also been regular dialogue at a staff level.
16. Following the disbandment of the Task Force on Climate-related Financial Disclosures (TCFD), the ISSB engagement with the FSB has focused on the monitoring work by the ISSB on progress on climate-related disclosures in accordance with TCFD recommendations.
17. There has also been further engagement at the staff level with the IAIS on the implementation of the ISSB Standards.

⁴ The Network for Greening the Financial System is a network of 114 central banks and financial supervisors.