
Sustainability Standards Advisory Forum meeting

Date	February 2025
Project	Proposed Amendments to the IFRS Foundation <i>Due Process Handbook</i>
Topic	Due Process Handbook
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This paper has been prepared for discussion at a public meeting of the Sustainability Standards Advisory Forum (SSAF). This paper does not represent the views of the International Sustainability Standards Board (ISSB) or any individual ISSB member. Any comments in the paper do not purport to set out what would be an acceptable or unacceptable application of IFRS[®] Sustainability Disclosure Standards. The ISSB's technical decisions are made in public and are reported in the ISSB *Update*.

Purpose of this session

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The IFRS Foundation Trustees published an [exposure draft](#) of proposed amendments to the IFRS Foundation *Due Process Handbook* on 19 December 2024

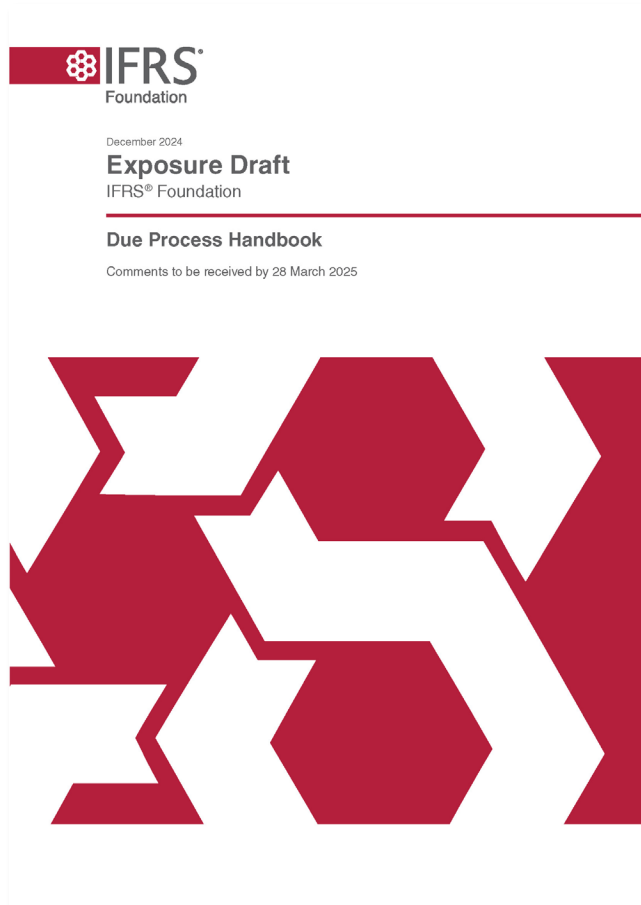
The purpose of this session is therefore to:

- Update SSAF members about the proposed amendments to the *Due Process Handbook*
- Provide members with the opportunity to ask questions and share any initial views about the proposed amendments

Further information about the project can be found on the [project page on the website](#)

Background

Exposure draft at a glance



- Exposure draft published 19 December 2024
- The objective of the proposed amendments:
 - ① To reflect the creation of the ISSB in the *Due Process Handbook*
 - ② To make some targeted enhancements and clarifications
- Open for comment until 28 March 2025
- DPOC will consider feedback and aim to publish the revised *Handbook* in H2 2025

IFRS Foundation's due process

IFRS Standards are developed using a rigorous, inclusive and transparent due process



The *Due Process Handbook* describes the requirements the IASB, ISSB, IFRS Interpretations Committee follow in developing and maintaining the Standards and related materials

The *Handbook* builds on the due process requirements in the IFRS Foundation *Constitution*



The due process is built on three principles:

- **Transparency**—the IASB, ISSB and IFRS Interpretations Committee operate in a transparent manner
- **Full and fair consultation**—consider the perspectives of stakeholders globally
- **Accountability**—the boards analyse the likely effects of new requirements and explain the rationale for their decisions

The due process and *Handbook* are owned and overseen by the IFRS Foundation Trustees' Due Process Oversight Committee (DPOC)

Why is the DPOC revising the *Handbook* now?

- The *Due Process Handbook* was last updated in 2020, prior to the creation of the ISSB—it therefore does not refer to the ISSB.
- The ISSB has from inception followed the same due process as the IASB and its activities have been overseen by the DPOC.
- For good governance, it is important the *Handbook* formally specifies the due process for the ISSB. The Foundation’s due process underpins the boards’ standard-setting and was one of the main reasons the Foundation was asked to create the ISSB.
- The current due process is thorough and robust and is appropriate for the ISSB as well as the IASB. The 2020 amendments are working well.
- The DPOC has taken the opportunity to propose some targeted enhancements and clarifications reflecting experience since 2020. These do not represent fundamental changes to due process.
- The ISSB is at an early in its operations, and the IASB and ISSB are at an early stage in their connectivity work. The DPOC will monitor the need for any changes to due process.

Proposed amendments to the *Handbook*

① Reflecting the creation of the ISSB in the *Handbook*



Specify the due process requirements apply to the ISSB

- Explicit statement that both boards apply same due process
- Updated language for Foundation's broader remit
- New references to the ISSB's advisory bodies—eg SSAF, IAG—and stakeholder network



New annex on due process for SASB Standards and SASB Standards Taxonomy

- Reflects due process approved by the DPOC in 2022 and which the ISSB has followed
- Allows use of a SASB Standards Board Adviser Group to develop amendments to the SASB Standards for ratification and publication by the ISSB
- Ratification requires same supermajority of the ISSB as for ISSB Standards



Including connectivity

- Objective of complementary and compatible IFRS Accounting Standards and IFRS Sustainability Disclosure Standards
- Aspects of collaborative working
- Explains voting for any joint document—requires the usual supermajority of *each* board

② Targeted enhancements and clarifications



Post-implementation reviews (PIRs)

- Improved explanations of the objective, start date, process to decide whether matters identified need further action, and possible outcomes of a PIR
- Reflects the IASB's recent experience and nascency of sustainability reporting



Process for minor improvements

- Enhanced the requirements for 'annual improvements' to allow a minor or narrow-scope *update* of a requirement or accompanying material (eg a metric). Process currently limited to clarifications or corrections
- Would allow the ISSB to use the more agile due process to maintain industry-based requirements (eg 90 days comment period)

② Targeted enhancements and clarifications (continued)



Interpretations Committee due process

- The amendments in the 2020 *Handbook* Update to enhance the effectiveness of Agenda Decisions are working well. No fundamental changes required
- Clarified meaning of ‘widespread effect’ criterion used in assessing stakeholder submissions



Material to support application of IFRS Standards

- Renamed to better reflect broader array of materials produced to support application, implementation or adoption of the Standards, including interoperability guidance
- Clarified existing due process—eg material cannot add or change requirements, specified levels of review are minimums



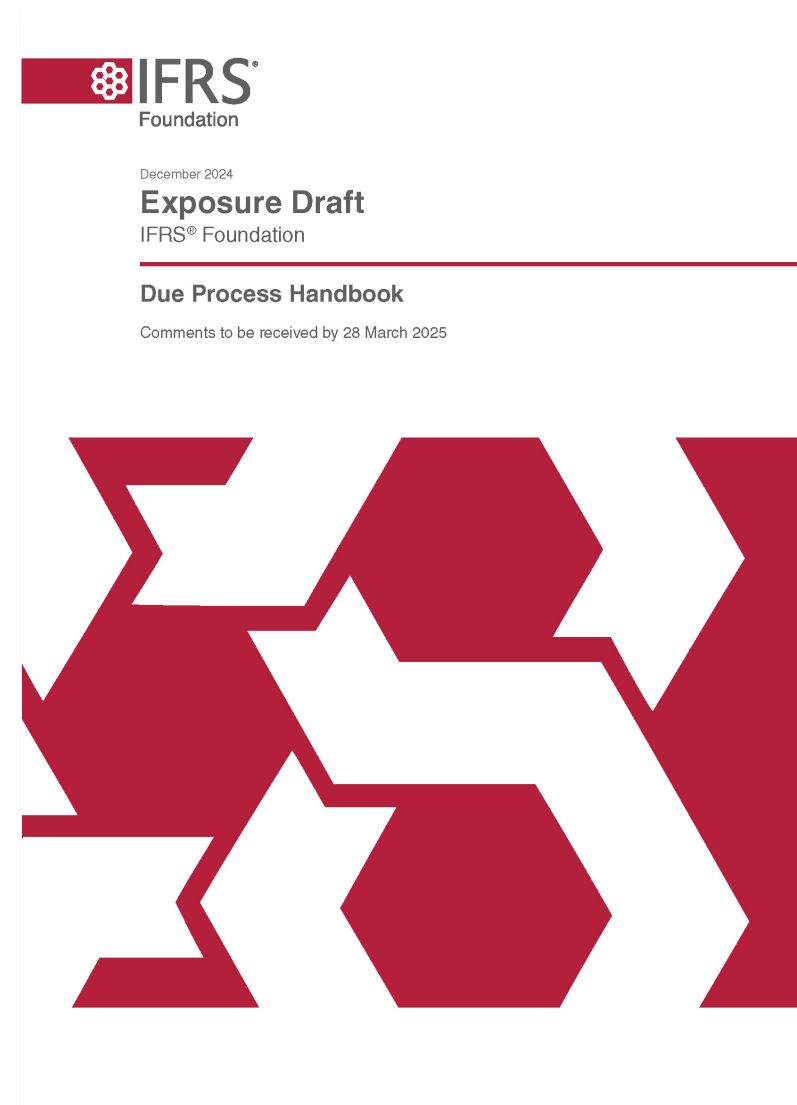
Other targeted enhancements and clarifications

Get involved

- Review our proposals
- Share your feedback



Consultation closes 28 March 2025



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