
Islamic Finance Consultative Group meeting

Date	1–2 November 2022
Project	ISSB developments and its agenda priorities consultation
Topic	Overview
Contact	Ndidi Nnoli-Edozien, ISSB Member (ndidi.nnoli-edozien@ifrs.org)

This paper has been prepared for discussion at a public meeting of the Islamic Finance Consultative Group (IFCG). 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*.

ISSB Update Overview

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ISSB update and milestones

ISSB members



Emmanuel Faber
Chair



Sue Lloyd
Vice-Chair



Jingdong Hua
Vice-Chair



**Richard
Barker**



**Jenny
Bofinger-Schuster**



**Verity
Chegar**



**Jeffrey
Hales**



**Michael
Jantzi**



**Hiroshi
Komori**



**Bing
Leng**



**Ndidi
Nnoli-Edozien**



**Tae-Young
Paik**

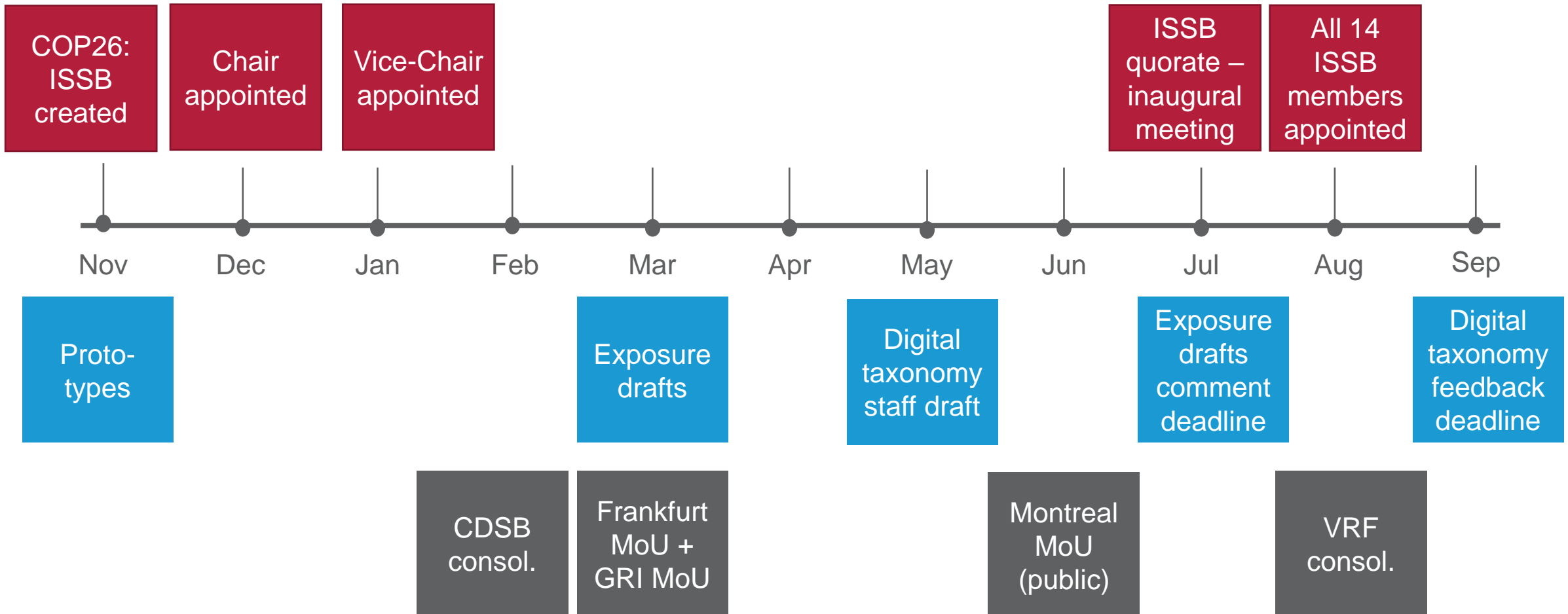


**Veronika
Pountcheva**



**Elizabeth
Seeger**

Milestones



Global support



“... we welcome the global baseline of sustainability reporting standards currently under development by the International Sustainability Standards Board (ISSB).

Support for the global baseline has the potential to improve information and thus mobilise finance for the needed investments, particularly in emerging and developing economies, and we ask the ISSB to work closely with regional standard setters and any relevant local stakeholders and to provide advisory and capacity support. We welcome the ISSB’s Jurisdictional Working Group.”

“We look forward to the finalization of standards by the International Sustainability Standards Board (ISSB) in support of globally consistent, comparable and reliable climate-related financial disclosures, and its work beyond climate, and we welcome the efforts to achieve interoperability across disclosure frameworks.”

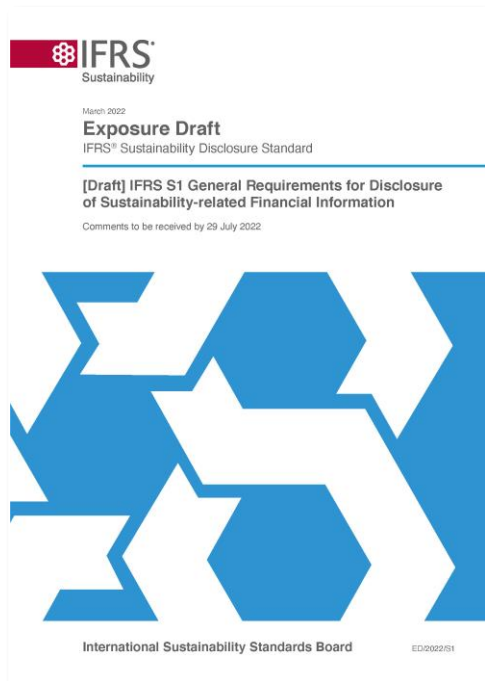
“Support the work of the International Sustainability Standards Board (ISSB) to introduce a global baseline of sustainability disclosures to meet the needs of capital markets, which will enhance transparency, accountability, efficiency and comparability across market[s].

Early adoption by African jurisdictions and companies has the potential to attract more investment and to boost private sector development in Africa. We urge the ISSB to work closely with African stakeholders and to provide strong advisory and capacity building support to achieve early adoption of the ISSB standards in Africa.”

Communiqué from International Cooperation Forum and Meeting of African Ministers of Finance, Economy and Environment, September 2022

Proposal recap

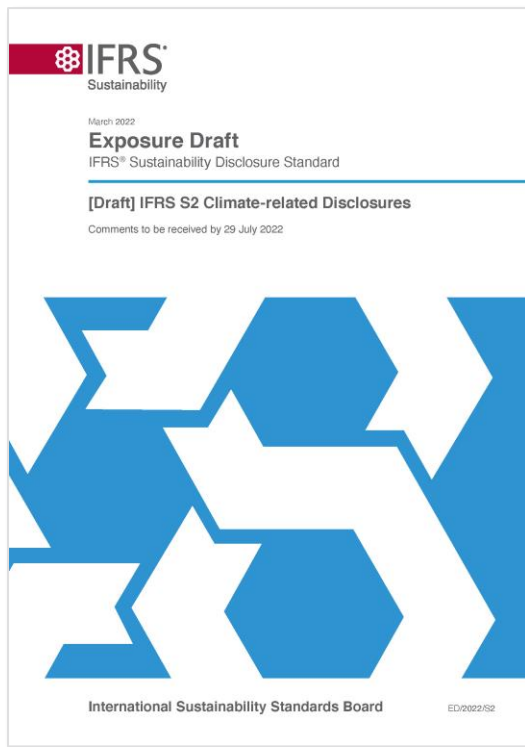
Proposed General Requirements Standard



Requires companies to provide material information on all significant sustainability-related risks and opportunities necessary to assess enterprise value.

- Other IFRS Sustainability Disclosure Standards (e.g. Climate Standard) set out specific disclosures
- Points to other standards and frameworks in absence of a specific IFRS Sustainability Disclosure Standard
- Sets out general reporting requirements (e.g. location and timing of the reporting)
- Equivalent to IFRS Accounting Standards IAS 1 and IAS 8.

Proposed Climate-related Disclosures Standard



Disclosure of material information about significant climate-related risks and opportunities.

- Incorporates TCFD Recommendations
- Includes SASB Standards climate-related industry-based requirements
- Requires disclosure of information about
 - Physical risks (e.g., flood risk)
 - Transition risks (e.g., regulatory change)
 - Climate-related opportunities (e.g., new technology).



Consultation feedback



Widespread interest



1,400+ responses overall



400+ outreach events during consultation period



Feedback from wide range of stakeholder groups



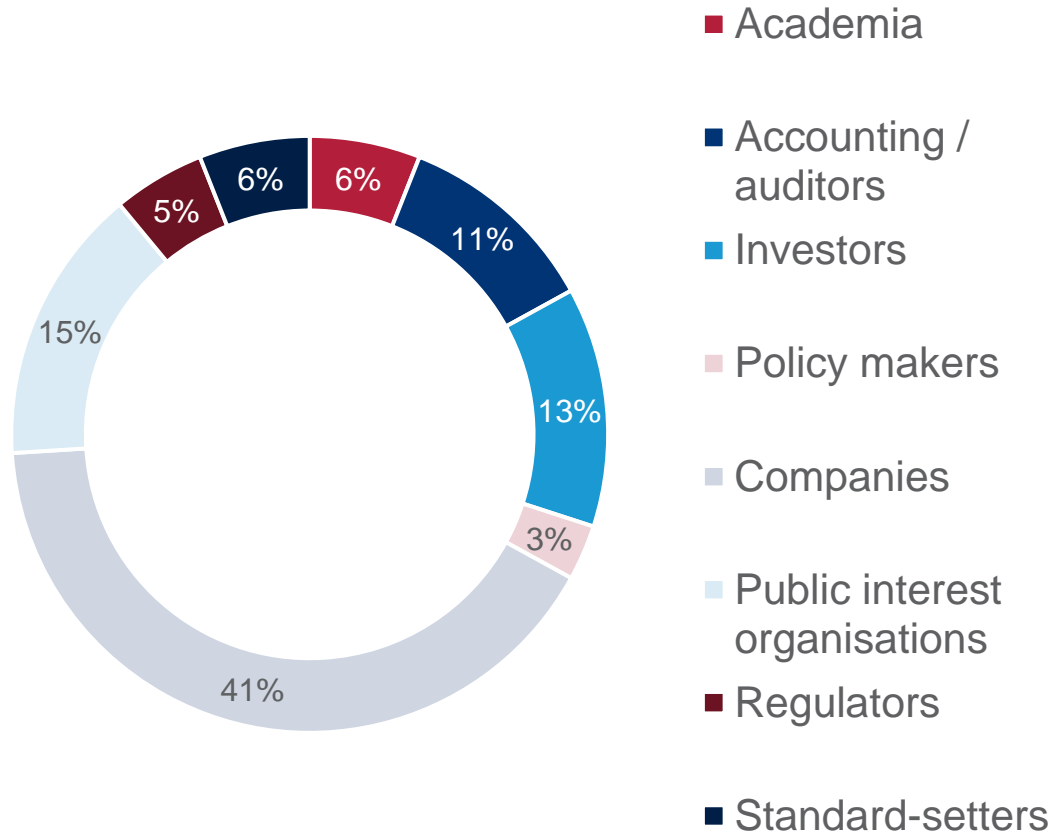
Wide geographic spread

General Requirements (S1) ED responses

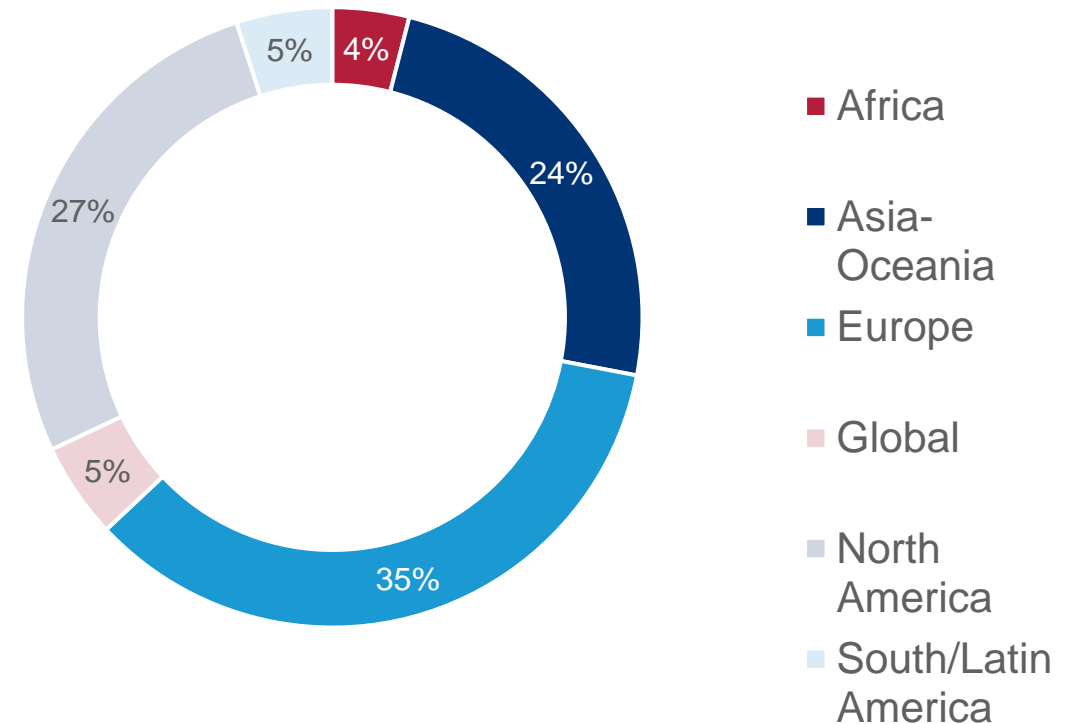


720

Stakeholder group



Geographic spread

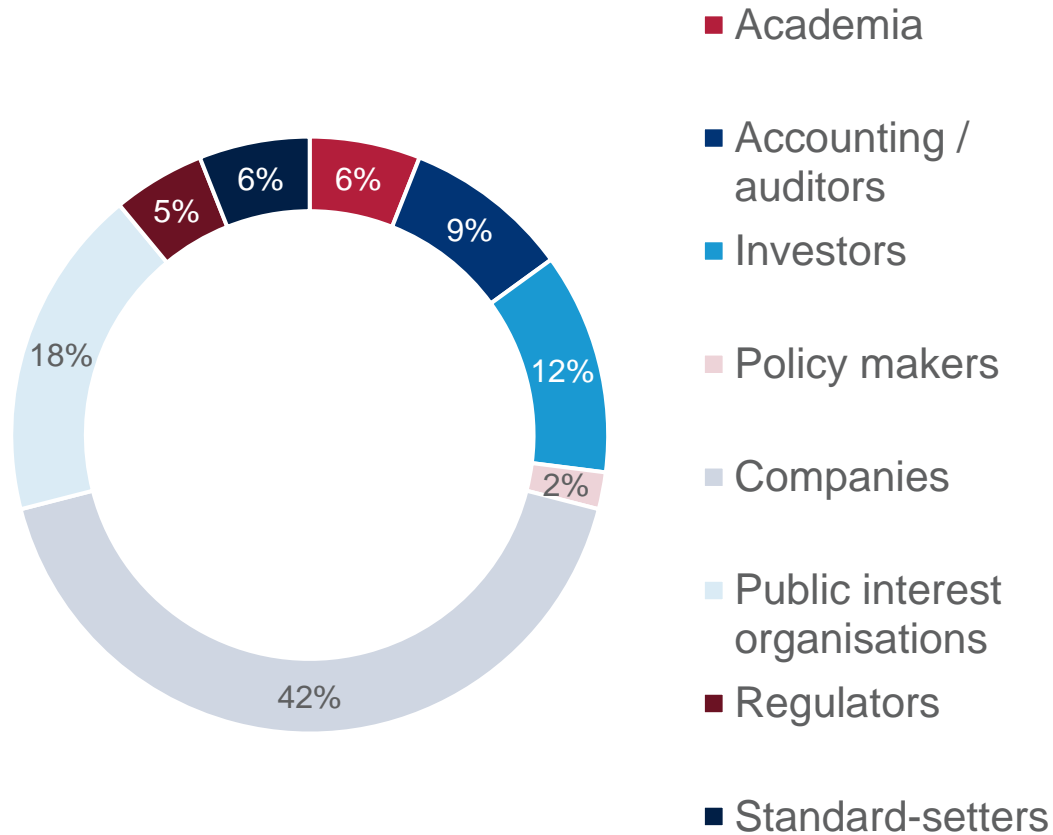


Climate ED (S2) responses

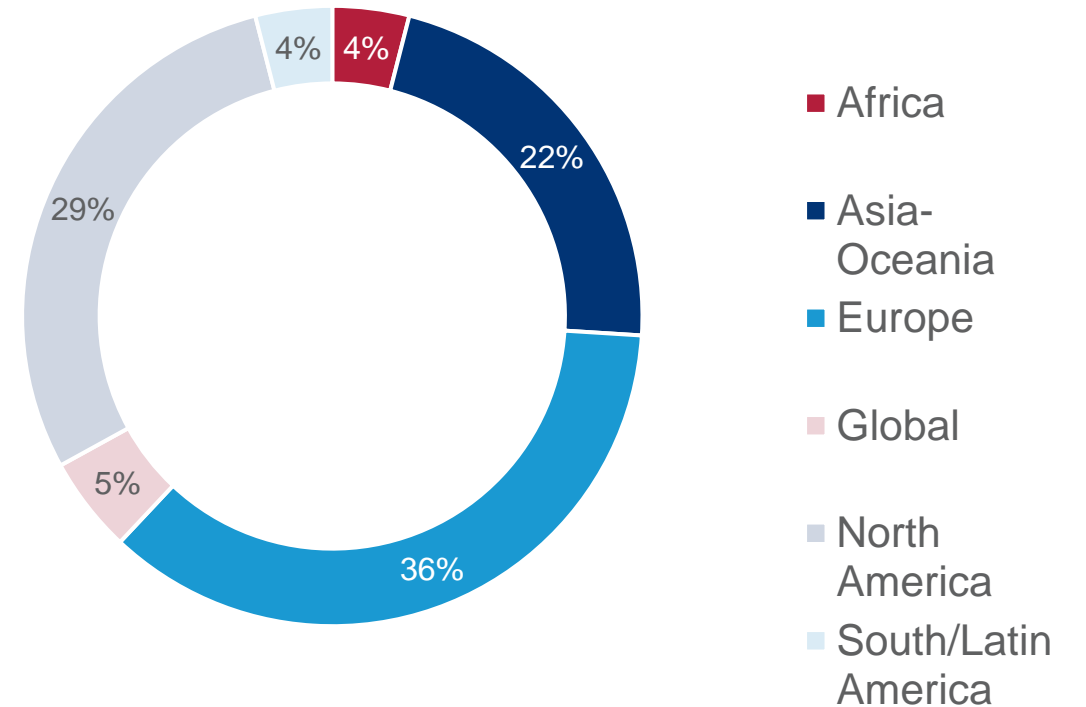


690

Stakeholder group



Geographic spread



Summary of feedback



High level of interest and market engagement globally



Meeting the timeline to publish the exposure drafts in 2023 was positively received



Positive reception that the ISSB is **building upon** the existing body of sustainability-related financial reporting initiatives

Strong support for the ISSB's overall aim

- To develop a comprehensive global baseline of sustainability-related financial disclosures for capital markets

Continue to move at pace to issue the first standards

- Whilst emphasising the importance of timeliness and quality

Scalability of the proposals

- Questions about the application by smaller companies and those in emerging markets. Actively seeking feedback on this

Continue to work with jurisdictions

- To address differences in concepts, terminologies and definitions with jurisdictional proposals

Industry-based requirements

- Difference of opinions regarding the industry-based requirements

Next steps

Next steps



Complete discussions on consultation feedback around end of 2022



Issue final Standards as early as possible in 2023



Consult on proposed digital taxonomy once Standards are issued



Consult on future priorities

Consultation on agenda priorities

- The ISSB initially wishes to set out its work plan for the first two years following consultation.
- A significant portion of the ISSB's initial work plan will be devoted to committed, foundational work to support the effective adoption, application and implementation of S1 and S2, and thus, capacity to take on new research and standard-setting projects will be limited in the near term.
- The committed foundational work will include developing materials to support capacity building and articulate core concepts, advancing and improving the SASB Standards, supporting connectivity and interoperability, among other activities.
- The ISSB will issue a request for information (RFI) in the first half of 2023 to solicit stakeholder input on new research and standard-setting projects.
- Stakeholder input on the relative priority of the projects and how the ISSB might most effectively approach the project will inform the ISSB's final work plan.

Redeliberation plan – agreed in September

Both proposed standards	General requirements (S1)	Climate (S2)
<ul style="list-style-type: none"> • Scalability – tools to support some companies (eg smaller companies) in applying the standards • Current and anticipated financial effects of sustainability/climate-related risks and opportunities 	<ul style="list-style-type: none"> • Fundamental concepts including enterprise value, meaning of ‘significant’, materiality assessment • Breadth of reporting, connected information, timing of reporting 	<ul style="list-style-type: none"> • Strategy and decision-making (including transition planning) • Climate resilience • GHG emissions • Industry-based requirements

Observe ISSB's meetings



w/c 14 November (Frankfurt)



w/c 12 December (Montreal)

Observe online:

[ifrs.org/news-and-events/calendar](https://www.ifrs.org/news-and-events/calendar)

- papers published a week in advance
- summary published within a week

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Questions?