
IFRS Foundation Trustees Meeting – Due Process Oversight Committee

Date **February 2024**

Topic **Composition of the IFRS Taxonomy Consultative Group**

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This document is prepared for discussion of 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 International Sustainability Standards Board (ISSB), and for delivery of the IFRS Foundation's objectives as set out in the IFRS Foundation *Constitution*.

Introduction

1. This paper is intended to facilitate the DPOC's review of the proposed composition of the IFRS Taxonomy Consultative Group (ITCG) as a result of new appointments and reappointments to the ITCG approved by the IASB and ISSB.
2. In accordance with paragraph 12 of the [ITCG Terms of reference and operating procedures](#) (terms of reference), the IASB and ISSB consider nominations and select members for the ITCG, following a call for members. Furthermore, paragraph 12 of the terms of reference and paragraph 3.62 of the [Due Process Handbook](#) stipulate that the DPOC reviews the proposed composition of the ITCG to ensure an appropriate balance of perspectives, including geographical balance.

Background

3. The ITCG is an expert consultative group that advises both boards on their respective taxonomy related activities—including reviews of taxonomy publications and files as part of due process.
4. The ITCG currently comprises 20 members, seven of whom have terms expiring 1 April 2024. The maximum membership of the ITCG is 20 members. Therefore, from the 1 April 2024 there will be seven seats available.

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5. On 11 December 2023, a call for members to join the ITCG from 1 April 2024 was made. Applications closed 26 January 2024, providing an application period of seven weeks. Six of the seven ITCG members with terms ending 1 April 2024 are eligible to be considered for reappointment. These members were asked to express their interest in being considered for reappointment.
 6. Given the current composition of the ITCG and feedback received from the boards and DPOC during the previous appointment cycle, applications were encouraged from candidates:
 - (a) with experience in using eXtensible Business Reporting Language (XBRL) or inline XBRL (iXBRL) data in their investment decision-making process (for example, asset managers);
 - (b) with experience in producing or reviewing their organisation's financial reports in a digital format (for example, in XBRL/iXBRL format); or
 - (c) based in emerging economies that require or are considering the introduction of digital financial reporting requirements.
 7. To help raise awareness of the call for members, board members and staff leveraged their networks and reached out to potential candidates with the desired expertise, backgrounds, and geographical representation to encourage them or a suitable representative from their organisation to apply.
 8. At their respective February 2024 administrative sessions, the IASB and ISSB considered and approved three new appointments and four reappointments. The paper considered by the boards at their respective February 2024 administrative sessions has been shared with the DPOC. The appointments and reappointments seek to ensure the composition of the ITCG provides a balance of functional backgrounds and geographical representation.
 9. The boards were also mindful of the gender balance of the proposed composition of the ITCG.

Proposed composition of the ITCG

10. The proposed composition of the ITCG is summarised by functional background and geography in the tables below.

| Functional background | Number of members | Percentage |
|------------------------------------|-------------------|-------------|
| Investor | 1 | 5% |
| Data aggregator | 4 | 20% |
| Preparer | 2 | 10% |
| Tagging agent | 2 | 10% |
| Professional services firm or body | 3 | 15% |
| Regulator | 5 | 25% |
| Technology expert ¹ | 3 | 15% |
| Total | 20 | 100% |

| Geographical region | Number of members | Percentage |
|---------------------|-------------------|-------------|
| Africa | 2 | 10% |
| Americas | 2 | 10% |
| Asia-Oceania | 5 | 25% |
| Europe | 4 | 20% |
| Global | 7 | 35% |
| Total | 20 | 100% |

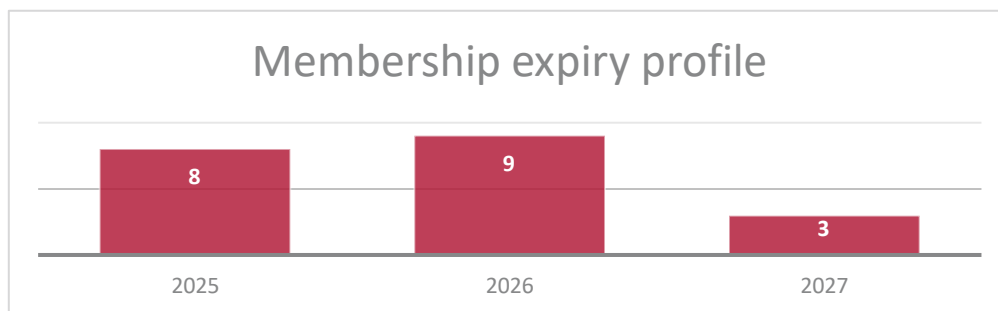
Question for the DPOC

- Does the DPOC have any comments or questions about the proposed composition of the ITCG?

¹ Technology experts are appointed based on their extensive experience with XBRL specifications or other digital reporting technologies/formats.

Membership periods

11. Per the ITCG terms of reference, members can be appointed for a period of one, two or three years. Members are eligible to be considered for reappointment, but the period a member can serve on the ITCG usually would not exceed six consecutive years. Organisations may be reappointed for a period longer than six years when represented by a new individual. A member who has served on the ITCG for six years would be eligible to serve again after a break of not less than three years.
12. Membership periods for ITCG members have been staggered to reduce the number of members rolling off at a given time. The proposed membership expiry profile is shown in the graph below.



13. Of the eight members with terms expiring in 2025, four will be eligible to be considered for reappointment.

Next steps

14. Subsequent to the DPOC's review of the proposed composition of the ITCG, the staff will finalise the appointments and reappointments. All applicants will be notified if they were successful or unsuccessful. Appointments and reappointments will be publicly announced at the end of March.
15. Membership terms for new appointments and reappointments will commence from the 1 April 2024.
16. The next call for members is expected to be made in early 2025.