
Permitting the use of ISSB Standards

Permitting the use of ISSB Standards or requirements designed to deliver functionally aligned outcomes could be an initial step in the journey to adopt or otherwise use ISSB Standards, allowing a transition period during which market participants gain a practical understanding of the application of ISSB Standards before they become mandatory in the jurisdiction. Permitting the use of ISSB Standards could also be considered on a more permanent basis. Permission could be extended to only some entities (for example, a subset of listed entities, or limited to foreign issuers), while other entities (for example, domestic issuers) would be subject to domestic sustainability-related disclosure requirements.

A jurisdictional approach is described as ‘permitting the use of ISSB Standards’ if the jurisdiction has made a decision and set a jurisdictional target to introduce regulations that permit and encourage the use of ISSB Standards or sustainability-related disclosure requirements designed to deliver functionally aligned outcomes for some, most or all publicly accountable entities.

The outcome marked in orange reflects the main departure from the outcomes that correspond to an approach of ‘fully adopting ISSB Standards’. The lighter orange shade and dashed lines observed on outcomes for the features of ‘targeted publicly accountable entities’ and ‘publicly accountable entities—market segments’ denote that alternative combinations of outcomes on these features may result in the same description of the jurisdictional approach. Otherwise, in order to be described as ‘permitting the use of ISSB Standards’, the outcomes on all other features would need to correspond to those in green.

Key to navigating the templates

Green indicates outcomes for each feature that may, if observed across all features, correspond to an approach of ‘fully adopting ISSB Standards’ (as described in the jurisdictional profile for the jurisdiction).

Orange indicates outcomes, by feature, that may correspond to a description other than ‘fully adopting ISSB Standards’ (as described in the jurisdictional profile for the jurisdiction).

An outcome of ‘orange’ on any feature will result in a description of a jurisdictional approach other than ‘fully adopting ISSB Standards’. The jurisdictional approach that best describes the jurisdictional strategy will depend on: (i) which feature(s) has (have) an outcome of orange; and (ii) the particular combination of outcomes across features.

In the majority of the templates outcomes of orange are combined with outcomes of green. This helps to highlight the departure(s) from a description of a jurisdictional approach of ‘fully adopting ISSB Standards’, helping the jurisdiction consider the implications of its decisions in a more targeted way.

Grey indicates outcomes, by feature, that do not impact the description of the jurisdictional approach.

Dashed lines and lighter shades indicate that there is more than one outcome for a feature that may, in combination with other outcomes, result in the same description of the jurisdictional approach.

Unshaded outcomes are those that are not relevant to the jurisdictional approach that is being described.

Regulatory Process

Regulatory or legal standing	No regulatory or legal action taken	Permitted	Required
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Reporting entities

Targeted publicly accountable entities	None	Some	All or most
Publicly accountable entities – market segments	No requirements for listed entities	Some, but not all or most listed entities in the first and second tiers	All or most listed entities
Reporting entity	Not the same reporting entity as for the financial statements	Not specified	Same reporting entity as for the financial statements

Requirements

Degree of alignment	Not aligned to ISSB Standards and requirements not designed to deliver functionally aligned outcomes	Climate-related reporting requirements in ISSB Standards or climate-related reporting requirements designed to deliver functionally aligned outcomes	Full alignment with ISSB Standards or requirements are designed to deliver functionally aligned outcomes
Placement	Outside general purpose financial reports	Not specified	In general purpose financial reports; and disclosed at the same time as the related financial statements
Dual reporting	Required	Permitted	Not required
Jurisdictional modifications	Extensive modifications	Limited modifications	No or not significant modifications
Additional requirements	Volume and presentation of additional disclosures could potentially obscure information required by ISSB Standards	Presentation of additional disclosures does not obscure information required by ISSB Standards	No additional information

Readiness

Effective date	Requirements become effective far into the future	Limited delays	Already effective or effective within a year
Transition reliefs	Additional reliefs and extensions**	Limited extensions*	Transition standard reliefs only
		Long extensions*	

* of transition standard reliefs ** beyond transition standard reliefs