1. **Introduction**

1.1 The IFRS Foundation Trustees met in Madrid on 28–29 February 2024.

1.2 The Trustees’ discussions were observed by Barry Melancon (member of the board of the former Value Reporting Foundation).

1.3 The Chair of the Trustees, Erkki Liikanen, welcomed Bertrand Badré, Rudolf Bless, Morgan Després, Chong-Tee Ong and Richard Sexton to their first Trustees meeting following their appointments as Trustees on 1 January 2024.

2. **Reports of the Chair of Trustees and the Managing Director**

2.1 The Trustees received reports from:

- the Chair of the Trustees, on his meetings with key stakeholders, including his extensive engagement at COP28 in Dubai in December 2023; and

- the Managing Director Lee White, on current priorities and recent activities. He noted that following his departure from the Foundation on 29 February 2024, Andrea Pryde, Executive Operations Director, would take up acting as the Managing Director until a successor is in place.

3. **Report of the Chair of the IASB**

3.1 The Chair of the IASB, Andreas Barckow, reported on the IASB’s activities since the October 2023 Trustees meeting. This report included updates on:

3.1.1 progress on the technical work plan in the period, highlighting the published Exposure Draft on Financial Instruments with Characteristics of Equity and the first joint technical meeting of the IASB and ISSB, which took place in January 2024 at which both boards discussed feedback on the ISSB’s Request for Information *Consultation on Agenda Priorities* relating to a potential project on integration in reporting and feedback on connectivity.

3.1.2 steady progress towards some significant milestones including publication of the Exposure Draft *Business Combinations—Disclosures, Goodwill and Impairment* in March; IFRS 18 *Presentation and Disclosure in Financial Statements* planned for April; IFRS 19 *Subsidiaries without Public Accountability: Disclosures* planned for May; and several publications in the IASB’s portfolio of projects addressing climate-related matters in the financial statements. These projects include Climate-related and Other…
Uncertainties in the Financial Statements, a part of the project Amendments to the
Classification and Measurement of Financial Instruments, and Power Purchase
Agreements.

3.1.3 work to improve the IASB’s process and efficiencies. He noted that the IASB had
continued developing prioritisation frameworks for considering matters that arise outside
of the IASB’s five-yearly agenda consultation, such as those arising from post-
implementation reviews, referrals from the IFRS Interpretations Committee and horizon
scanning for emerging issues.

4. Presentation by Jean-Paul Servais, Chair, IOSCO

4.1 The Trustees were joined by the Chair of the International Organization of Securities
Commissions (IOSCO), Jean-Paul Servais. He welcomed the five new Trustees and gave thanks
to Lee White for his leadership of the Foundation. Mr Servais noted that these were his first
remarks to the Trustees as IOSCO Chair rather than in his former role as Chair of the IFRS
Monitoring Board.

4.2 Mr Servais noted IOSCO’s continued support for the ISSB, referencing IOSCO’s endorsement of
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and
IFRS S2 Climate-related Disclosures in July 2023, and emphasised the importance of the ISSB’s
ongoing work in the market, including interoperability and capacity building.

4.3 Mr Servais’s final comments included noting the importance of assurance and reporting
evidence-based information in dispelling greenwashing claims.

5. Report of the Chair of the ISSB

5.1 The Chair of the ISSB, Emmanuel Faber, reported on the ISSB’s activities since the October
2023 Trustees meeting. This report included updates on:

5.1.1 activities supporting adoption or other use of IFRS S1 and IFRS S2 including the
development of educational materials; the inaugural meeting of the Transition
Implementation Group on IFRS S1 and IFRS S2; and the launch of the IFRS
Sustainability knowledge hub at COP28. He also updated the Trustees on the
development of the jurisdictional adoption guide, highlighting the recently published
Preview of the Inaugural Jurisdictional Guide for the adoption or other use of ISSB
Standards.

5.1.2 the extensive stakeholder engagement at COP28, noting the declaration of support from
close to 400 organisations from 64 jurisdictions and many regulators and standard-
setters, including IOSCO, FSB, IMF, Multilateral Development Banks.

5.1.3 the ISSB’s discussions on its future agenda of work and next steps. He highlighted the
common themes in feedback on the Request for Information Consultation on Agenda
Priorities, noting the demand for the ISSB to support implementation of IFRS S1 and
IFRS S2 and to pursue interoperability to reduce duplication for preparers and secure
consistency and comparability for investors, and the general support for research in
areas related to the four potential research projects discussed in the Request for
Information. He also reported on the joint meeting with the IASB in January. The ISSB
expects to complete its discussions and publish its feedback statement in Q2.
6. **IASB Strategy—Generation 3**

6.1 The Chair of the IASB, Andreas Barckow, reported on work on the IASB’s future strategy ('Generation 3') as the IASB enters its third decade. In the light of the discussion with the Trustees at their October 2023 meeting, Mr Barckow presented further data analysing adoption of IFRS Accounting Standards across markets which had informed the development of four possible scenarios of focus for the IASB. These had been considered at workshops involving all IASB members and the technical leadership team. The workshops had highlighted that it was likely that any future strategy would be a blend of the different scenarios (or variants of them).

6.2 The Trustees provided further input and the next steps will be for IASB to further narrow down the scenarios, and develop a draft strategy, which will include determining areas needing refinement and resources necessary to carry out the strategy. The IASB will report back to Trustees later in 2024 for further discussion.

7. **Strategic Direction Considerations for the ISSB**

7.1 In January 2024, a Strategy Taskforce, comprising seven Trustees and chaired by Bob Pozen, was formed to progress discussions on the Foundation’s strategic direction and to help guide the Trustees in applying their responsibilities under the IFRS Foundation Constitution to ‘review annually the strategy of the IFRS Foundation, the IASB and the ISSB and its effectiveness’.

7.2 Following earlier discussions with the Taskforce, the Chair of the ISSB, Emmanuel Faber, presented a proposed strategy for the ISSB, noting that it was an appropriate time to consider the ISSB’s strategy at the same time as undertaking its work related to the consultation on agenda priorities. The strategy combines three mutually reinforcing dimensions of strengthening, building on and protecting the global baseline of high-quality sustainability disclosure standards to meet investors’ information needs. This will enable the ISSB to deliver on its core objectives of:

- promulgating and promoting a global baseline;
- focusing on material information for decision making by investors of all types; and
- encouraging and facilitating broad-based adoption of IFRS S1 and IFRS S2 by countries and regulators.

7.3 Further research will be undertaken about the market and evolving sustainability landscape with updates provided to Trustees during 2024 for further discussion.

8. **ISSB Funding Update**

8.1 The Chair of the Funding Committee, Isabel Saint Malo, provided an overview of the goals for the Committee for 2024 and its progress to date. She highlighted that the IFRS Foundation Corporate Champions Network, developed in 2023, had been launched with 18 founding members. Whilst the Committee’s primary focus remains on ISSB funding, it leads the fundraising of contributed revenue across the Foundation.

9. **Trustee Strategic Engagement**

9.1 Lee White introduced plans to extend the term of the Foundation’s Eminent Persons Group until the end of 2025. The Group was initially formed to provide strategic advice and counsel to the
Trustees on the proposed formation of the ISSB and its connectivity with jurisdictional initiatives but has continued to provide advice under the chairmanship of Jean-Claude Trichet. Trustees were supportive of the extending the term of the Group, noting the valuable advice and feedback from the market that its members provide.

9.2 It was further proposed by the Chair of Trustees to establish an IFRS Group of Fellows, members of which would be drawn from academia, policy and corporate backgrounds, with a purpose to help identify key strategic issues for the future of the IFRS Foundation and bring them to the attention of the Trustees.

10. Report of the Chair of the Advisory Council

10.1 Bill Coen, Chair of the Advisory Council, updated the Trustees about the Council’s work since his last report in March 2023. He highlighted how the Council had met its role of providing strategic advice to Trustees and both boards with discussions on various topics, including the ISSB’s consultation on agenda priorities, the ISSB’s adoption strategy, the IASB’s strategy (‘Generation 3.0’), Management Commentary and Integrated Reporting, and the Foundation’s sources of earned revenue.

10.2 Mr Coen explained that the level of engagement by Council members is high. He also explained that members act in an ambassadorial role, taking their interactions with Trustees and board members back to their networks and regions. This knowledge transfer via the Advisory Council is considered to be important. Harnessing members’ energy and distilling messaging is a key focus for Mr Coen.

10.3 Mr Coen updated the Trustees about the Council’s composition, highlighting areas of suggested focus for future appointments, including to broadening representation from the Middle East, Latin America and Africa, and the need for continuing focus on reducing the Council’s gender imbalance.

10.4 Mr Coen noted that the Council is receptive to Trustees providing input into its agenda and to engage with its work.

11. Integrated Reporting and Connectivity Council

11.1 Suresh Kana, Vice-Chair of the Integrated Reporting and Connectivity Council, reported on the IRCC’s meetings in November 2023 and January 2024. He highlighted that at the January meeting, the leadership of the IASB and the ISSB had shared reflections on the joint IASB-ISSB meeting and IRCC members had provided their advice in light of the stakeholder feedback to the ISSB’s agenda consultation.

12. Vision for Corporate Reporting

12.1 The Trustees considered how they might respond to market demand from stakeholders for a vision on corporate reporting, in line with their responsibilities under paragraph 16(f) of the IFRS Constitution, which states that ‘the Trustees shall … Review broad strategic issues affecting corporate reporting’. The potential value of a strategic vision had been discussed at recent meetings of the Transitional Advisory Group and the IRCC.
13. Reports from recent Trustee Committee meetings

13.1 Audit and Risk Committee

Maria Theofilaktidis, Chair of the Audit and Risk Committee, reported that the Committee had:

- approved new terms of reference as part of the Committee’s mandate since the former Audit, Finance and Risk Committee was split to create the Audit and Risk Committee and the Budget and Finance Committee;
- reviewed the process and timeline for the 2023 annual report and financial statements;
- approved a recommendation from the Director of Internal Audit to appoint BDO as the Foundation’s co-source partner for internal audit, following to a competitive tender process;
- received an update on recent internal audit activity, including the outcome of the internal audit of entity level controls;
- approved a new whistleblowing policy (under which concerns can be raised through a third-party provider) including a provision to have direct contact with the Audit and Risk Committee Chair;
- reviewed the risk register and mitigating actions;
- received an update on the compliance program; and
- noted a list of donations.

13.2 Budget and Finance Committee

Richard Sexton, Chair of the newly-established Budget and Finance Committee, reported that the Committee had:

- considered the 2024 budget which the Committee agreed to recommend to the Trustees for approval;
- been updated on the December 2023 management accounts; and
- discussed the need for continued financial discipline and improved accountability and communication across the Foundation to ensure that financial opportunities and needs are understood.

13.3 Digital Technology Oversight Committee

Suresh Kana, Chair of the Digital Technology Oversight Committee, reported that the Committee had:

- been updated on highlights of the technology team’s programme of work including the finance systems transformation project and IFRS Standards Navigator project;
- been updated on cyber security and how the Foundation can operate securely in a multi-location model with Foundation staff also accessing systems with personal devices; and
- been updated on recent work to facilitate digital consumption of general-purpose financial reports, including updates to the IFRS Accounting Taxonomy for IFRS 18 Presentation and Disclosure in Financial Statements.
13.4 Due Process Oversight Committee
Teresa Ko, Chair of the Due Process Oversight Committee, reported on the Committee’s meeting, a summary of which is attached.

13.5 Sustainable Operations Taskforce
Keiko Tashiro, Chair of the Sustainable Operations Taskforce, reported on the progress of the Taskforce. A dedicated Sustainability Manager had been recruited with a legal specialist joining the staff team in April 2024. The Trustees agreed to extend the Taskforce’s term until the end of March 2025 to ensure appropriate governance oversight is in place as the Taskforce continue with its program of work.

13.6 Human Capital Committee
Keiko Tashiro, Chair of the Human Capital Committee, reported that the Committee had:
• proposed an approach for the annual review of staff salaries from April 2024 to the Budget and Finance Committee (who subsequently recommended it to the Trustees);
• been updated on the newly launched staff performance and development approach;
• been updated on the annual board member evaluation process, which included the ISSB for the first time; and
• been updated on the ongoing work relating to the Foundation’s organisational culture.

14. Stakeholder engagement

14.1 The IFRS Foundation held a successful stakeholder event on the evening of 28 February 2024 with Comisión Nacional del Mercado de Valores (National Securities Market Commission) in Madrid. The event included welcoming remarks by Chair of Trustees Erkki Liikanen, and speeches by Javier Rodriguez Soler, Global Head of Sustainability and Corporate and Investment Banking, Banco Bilbao Vizcaya Argentaria, S. A. (BBVA) and Rodrigo Buenaventura, Chair, Comisión Nacional del Mercado de Valores.

15. Meeting with the Monitoring Board

15.1 The Trustees met the IFRS Foundation Monitoring Board on 29 February 2024.

16. Farewell for departing Managing Director

16.1 The Chair of the Trustees thanked Lee White for his service as Managing Director of the Foundation. Mr White provided his reflections on his six years of service.
This document reports on a meeting of the Trustees of the IFRS Foundation, the oversight body of the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB). The Trustees are responsible for governance of the IFRS Foundation and for delivery of the IFRS Foundation's objectives as set out in the IFRS Foundation Constitution.

Introduction

The IFRS Foundation Due Process Oversight Committee (DPOC) met on 27 February 2024 in Madrid. The meeting was webcast live and a recording of the meeting is available on the IFRS Foundation website.

The main matters discussed were as follows:

IASB-related matters

Update on IASB technical activities

The DPOC considered a report providing an update on the activities of the IASB and the IFRS Interpretations Committee for the period October 2023 to January 2024. There were no matters in the report for which the DPOC was required to confirm that due process had been followed.

The DPOC was updated about progress on various IASB projects including:

- three major due process documents that will be issued in the coming months:
  - the Exposure Draft Business Combinations—Disclosures, Goodwill and Impairment, expected to be issued in March 2024
  - IFRS 18 Presentation and Disclosure in Financial Statements (the Standard from the Primary Financial Statements project), expected to be issued in April 2024, for which the DPOC undertook its lifecycle review at its October 2023 meeting
  - IFRS 19 Subsidiaries without Public Accountability: Disclosures, expected to be issued in May 2024, for which the DPOC undertook its lifecycle review later in the meeting.
- the Financial Instruments with Characteristics of Equity project, for which the IASB issued an exposure draft in November 2023 with a comment period until 29 March 2024.
- the second Comprehensive Review of the IFRS for SMEs Accounting Standard, in which the IASB is nearing completion of its technical deliberations. Relatedly, the IASB is also progressing publishing the Addendum Exposure Draft in April 2024. The IASB plans to include any resulting amendments from this exposure draft in the third edition of the IFRS for SMEs Accounting Standard, which is expected to be issued later in 2024, and accordingly the DPOC will be undertake a lifecycle review in October 2024.
Meeting summary

• the Management Commentary project, for which the IASB would be considering the future direction of the project in the light of the feedback to the ISSB’s Agenda Consultation and the joint meeting with the ISSB in January 2024. IASB representatives noted that there were various potential directions for the project, from finalising the Management Commentary Exposure Draft to a new project along the lines of an integration in reporting project. IASB and ISSB representatives noted that regardless of the direction of the Management Commentary project, the boards’ initiatives on connectivity would continue. They also noted that it is important to draw a distinction between ‘connectivity’ (the process by which board members and staff work together to facilitate connected IFRS Standards and general purpose financial reports) and ‘integration in reporting’ (a particular form of reporting to integrate information, one example of which is management commentary).

• the Climate-related and Other Uncertainties in the Financial Statement project. IASB representatives noted this is a high priority project which is progressing at pace. As well as exploring examples to illustrate how an entity applies the Accounting Standards to report the effects of climate-related and other uncertainties in its financial statements, the IASB is also exploring possible standard-setting to clarify or enhance the requirements relating to disclosure of information about estimates. It was acknowledged that some stakeholders think standard-setting is required and that examples alone would not be sufficient. However, the IASB representatives noted the mixed views of stakeholders as well as the risk of unintended consequences from standard-setting given changes to the Standards would apply more broadly than to climate-related risks. IASB and ISSB representatives also discussed with the DPOC the relationship between the requirements in the Accounting Standards and IFRS S2 Climate-related Disclosures. The DPOC supported the boards providing clear communication more broadly to explain which information belongs in the financial statements and which information in the sustainability disclosures.

• the Business Combinations under Common Control research project, which has been removed from the work plan after additional outreach, including extensive discussions with regulators, and feedback from users of financial statements that they can work with the diversity that already exists.

• the Power Purchase Agreements project, which is moving at pace and for which the IASB expects to publish an exposure draft in May 2024 and issue final amendments by the end of 2024. Given the urgency, the IASB might seek a shortened comment period of 90 days from the DPOC at a future meeting.

• post-implementation reviews (PIRs) for which the IASB has been considering the feedback to its Requests for Information for both the PIRs of the Classification and Measurement Requirement in IFRS 9 and IFRS 15 Revenue from Contracts with Customers. Stakeholders have indicated both sets of requirements are working as intended. At future meetings, the IASB will decide what action, if any, should be prioritised, completing these discussions by Q2 and Q3 2024. The IASB has also decided to start its PIR on IFRS 16 Leases in Q2 2024.

Subsidiaries without Public Accountability: Disclosures Due process ‘lifecycle’ review

The DPOC reviewed the due process applied in the development of IFRS 19 Subsidiaries without Public Accountability: Disclosures as required by paragraph 2.12 of the Due Process Handbook. This
review followed the IASB’s July 2023 meeting at which the IASB confirmed that all necessary due process steps had been undertaken and that it had completed sufficient consultation and analysis to proceed to the balloting phase to finalise the drafting of the Standard.

The Subsidiaries without Public Accountability: Disclosures project was added to the IASB’s work plan in response to feedback to the 2015 Agenda Consultation. The DPOC has monitored the due process of the project throughout its life. At this meeting the DPOC considered papers summarising the entirety of the due process applied, including the comprehensive paper that the IASB had considered at its July 2023 meeting to satisfy itself that it had complied with all necessary due process steps.

The IASB representatives explained that at its July 2023 meeting the IASB had considered the staff’s detailed analysis of the changes made during the redeliberations to the proposals in the Exposure Draft in response to the feedback, and the staff’s assessment of whether those changes should be re-exposed applying the re-exposure criteria in paragraphs 6.25–6.29 of the Due Process Handbook. After considering this analysis, the IASB had decided that the changes it made to the proposals are in response to the feedback, and the revised proposals do not include any fundamental changes on which respondents have not had the opportunity to comment. The IASB therefore agreed that it could proceed to finalise the Standard without re-exposure. The full analysis was included in the papers provided to the DPOC and the IASB representatives highlighted some of the key areas of the IASB’s considerations, including the scope of the Standard.

The DPOC concluded its discussion by agreeing that all necessary due process steps had been undertaken in the development of IFRS 19 and that the IASB could progress to issue the Standard.

**ISSB-related matters**

**Update on ISSB technical activities**

The DPOC considered a report providing an update on the activities of the ISSB for the period October 2023 to February 2024. There were no matters in the report for which the DPOC was required to confirm that due process had been followed.

The DPOC was updated about progress on various ISSB projects and activities including:

- the ISSB Consultation on Agenda Priorities in which the ISSB has been considering the feedback on its Request for Information. The ISSB and IASB representatives also reported on the joint board meeting in which the two boards had discussed the feedback on (a) a potential research project on integration in reporting and (b) connectivity. The ISSB is expecting to establish its two-year work plan in Q2 2024.

- the Transition Implementation Group on IFRS S1 and IFRS S2 (TIG) which held its first introductory meeting in November 2023 to discuss the functioning of the Group and which would hold its first technical discussion in March 2024.

- materials published to support implementation of IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. Education material on nature and social aspects of climate-related risks and opportunities was published in December 2023. Material illustrating interoperability considerations for disclosures about GHG emissions between IFRS S2 and the relevant requirements in the Global Reporting Initiative (GRI) Standards was published in January 2024 jointly by the Foundation and GRI.
Material to support the application of ISSB Standards—Update

The DPOC considered a report as required by the *Due Process Handbook* on the material published by the Foundation to support the consistent application of the ISSB Standards following the issuance of IFRS S1 and IFRS S2.

Updates have been provided to the DPOC on the work to develop material to support the application of the ISSB Standards as part of the regular updates to the DPOC on the ISSB’s work. In addition, the DPOC had a separate meeting in September 2023 to consider the due process to be applied to material to support the interoperability of the ISSB Standards with other relevant standards given this is a new type of material for the Foundation.

The ISSB representatives also highlighted some of the quality assurance processes that have been introduced relating to third-party materials that are uploaded on the IFRS Foundation knowledge hub since its launch in November 2023.

Based on information provided, the DPOC confirmed that the material published to support the application of the ISSB Standards has been appropriately reviewed as specified by the *Due Process Handbook*.

Composition of the IFRS Taxonomy Consultative Group

The DPOC reviewed the proposed composition of the IFRS Taxonomy Consultative Group (ITCG) as a result of seven new appointments and reappointments to the ITCG that the IASB and the ISSB had recently approved from 1 April 2024, following a call for members in December 2023. The ITCG’s remit was extended in 2023 so that it advises both boards on their respective taxonomy related activities.

The DPOC was satisfied that the proposed appointments would achieve an appropriate balance of perspectives on the ITCG, including geographical balance. It noted that the new appointments included an investor and a preparer, backgrounds for which there had been a desire to increase representation. It was noted that in future it would be useful to consider whether the ITCG is obtaining sufficient input on disruptive technologies. Foundation staff also noted that the question of gender balance on consultative groups would be reviewed on its forward agenda.

Correspondence

The DPOC noted that no correspondence had been received since its October 2023 meeting that required its attention.

Closing

The DPOC Chair thanked all for their participation.