
IASB-ISSB Joint Meeting

Date	January 2024
Project	ISSB Consultation on Agenda Priorities
Topic	Feedback summary—Cover paper
Contacts	Bartholomew, Greg (greg.bartholomew@ifrs.org) Bolderston, David (david.bolderston@ifrs.org) Feygina, Yulia (yfeygina@ifrs.org) Girella, Laura (laura.girella@ifrs.org)

This paper has been prepared for discussion at a public meeting of the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB). This paper does not represent the views of the IASB, ISSB or any individual member of either board. Any comments in the paper do not purport to set out what would be an acceptable or unacceptable application of IFRS[®] Accounting Standards or IFRS[®] Sustainability Disclosure Standards. The technical decisions of the IASB and the ISSB are made in public and are reported in the IASB *Update* and ISSB *Update*, respectively.

Objective

1. The purpose of this meeting is to provide the International Sustainability Standards Board (ISSB) and the International Accounting Standards Board (IASB) with a summary of feedback received in response to the ISSB's Request for Information [*Consultation on Agenda Priorities*](#) (Request for Information) related to:
 - (a) integration in reporting; and
 - (b) connectivity.
2. These topics are of interest to both boards and will inform the next steps taken by the ISSB and IASB, including:
 - (a) the ISSB deciding on the priorities for its next two-year workplan, including whether and how to pursue a project on integration in reporting; and
 - (b) the IASB deciding on the direction of the Management Commentary project.
3. The purpose of this paper is to provide the ISSB and IASB with an overview of:
 - (a) the agenda papers prepared for this meeting;

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- (b) the ISSB’s Request for Information, specifically the areas of interest for both boards; and
 - (c) the IASB’s Management Commentary project.
4. The staff do not ask the ISSB or IASB to make decisions at this meeting. However, in each paper, the staff invite ISSB and IASB members’ questions and comments on the feedback.

Structure of the paper

5. The paper is structured as follows:
- (a) Background (paragraphs 6–25);
 - (b) Agenda papers for this meeting (paragraphs 26–27);
 - (c) Appendix A—Extracts from November 2023 ISSB Agenda Paper 2: *Feedback summary—Cover paper and overview* and December 2023 ISSB Agenda Paper 2: *Feedback summary—Users of general purpose financial reporting*; and
 - (d) Appendix B—December 2023 IASB Agenda Paper 15: *Management Commentary—Project Update*.

Background

ISSB Request for Information

6. The ISSB has undertaken a public [Consultation on Agenda Priorities](#) (Request for Information) to inform its work plan for the two-year period following the consultation. The ISSB published the Request for Information in May 2023, and it was open for comments for 120 days. The comment period ended on 1 September 2023.

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7. The objective of the agenda consultation was to ask all those interested in sustainability-related financial reporting for their views on:
 - (a) the strategic direction and balance of the ISSB's activities, including its foundational activities such as connectivity with the IASB;
 - (b) the suitability of criteria for assessing which sustainability-related matters (including topics, industries and activities) to prioritise and add to the ISSB's work plan; and
 - (c) a proposed list of new research and standard-setting projects that could be added to the ISSB's work plan, including a project on integration in reporting.
 8. Stakeholders could respond to the Request for Information by using the online survey (preferred) or submitting a comment letter.
 9. At its November 2023 meeting, the ISSB reviewed and discussed the high-level summary of feedback received on the Request for Information. At its December 2023 meeting, the ISSB reviewed and discussed feedback from users of general purpose financial reports (users).
 10. Refer to Appendix A—Extracts from November 2023 ISSB Agenda Paper 2: *Feedback summary—Cover paper and overview* and December 2023 ISSB Agenda Paper 2: *Feedback summary—Users of general purpose financial reporting*, which provides an overview of the Request for Information and of the feedback received.

A project on integration in reporting¹
 11. One of the four proposed research projects in the Request for Information was a research project on integration in reporting. The Request for Information explained that the project could build on the progress already achieved in IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures* with respect to connected information to

¹ Refer to paragraphs A38–A51 of the [Request for Information](#).

develop guidance on how entities might bring sustainability-related financial information together with other qualitative and quantitative financial information. Integrating this information could give investors a comprehensive, coherent and concise view of how an entity creates, preserves or erodes value.

12. The Request for Information included eight questions, two of which focused on obtaining feedback related to this proposed research project:
 - (a) Question 3—New research and standard-setting projects that could be added to the ISSB’s work plan; and
 - (b) Question 7—New research and standard-setting projects that could be added to the ISSB’s work plan: Integration in reporting.
13. The Request for Information highlighted the difference in the nature of this project, and thus specifically sought feedback about the prioritisation of this project relative to three research projects on sustainability-related risks and opportunities. It also sought feedback on whether a project on integration in reporting, if prioritised, should be conducted in collaboration with the IASB and build on the IASB’s Management Commentary Exposure Draft, the Integrated Reporting Framework and other sources.

Connectivity².

14. The Request for Information explained that connectivity between the ISSB and IASB requirements is at the core of all the ISSB’s activities and is fundamental to the ISSB’s mission to deliver a comprehensive global baseline of sustainability-related disclosures to meet the needs of investors. To achieve this, the Request for Information explained that the ISSB and IASB, together with their technical staff, coordinate their work and establish processes to enable connected reporting, ensuring that the IASB’s and ISSB’s respective requirements are compatible and avoid potential inconsistencies and conflicts.

² Refer to paragraph 18–22, Diagram 3 and Table 1 of the [Request for Information](#).

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15. The Request for Information stated that the objective of connectivity is to facilitate the delivery of a coherent and comprehensive system of general purpose financial reporting that includes sustainability-related financial information and financial statements.
 16. The Request for Information did not ask a question about connectivity. However, some respondents provided feedback on that topic.

IASB Project on Management Commentary

17. The IASB's guidance on preparing management commentary, IFRS Practice Statement 1 [*Management Commentary*](#), was issued in 2010. In November 2017, the IASB added the Management Commentary project to its work plan. The IASB's objective in the Management Commentary project was to develop a comprehensive, clear and structured framework that would build on innovations in narrative reporting and target shortcomings in reporting practice.
18. The [*Management Commentary Exposure Draft*](#) was published in May 2021. It was designed to enable an entity to bring together in management commentary the information about the key factors that have affected the entity's financial performance and financial position or could affect the entity's prospects, including in the long term—for example, information about the entity's key intangible resources and relationships or about key sustainability matters that affect the entity. Management commentary would be based on information used to manage the business, including metrics used to monitor an entity's financial and non-financial performance and position.
19. In developing the Management Commentary Exposure Draft, the IASB built on innovations in narrative reporting, including the Integrated Reporting Framework. While the Management Commentary Exposure Draft was published prior to the establishment of the ISSB, it invited comments on any matters relating to the IFRS

Foundation Trustees' work on establishing the ISSB that the IASB should consider in completing the project.³

20. The comment period on the Exposure Draft ended on 29 November 2021. Many respondents, including almost all investors commenting, expressed support for the project. Most respondents commented on the interaction between the Management Commentary project and the future work of the ISSB. Most of these respondents highlighted the need for connectivity between the boards and urged the boards to work together on the Management Commentary project.⁴
21. In May 2023, the IASB discussed a joint analysis of similarities and differences between the Management Commentary Exposure Draft and the Integrated Reporting Framework prepared by the IASB staff and the Integrated Reporting and Connectivity staff.⁵ The Integrated Reporting Framework became part of the materials of the IFRS Foundation in August 2022 as a result of the merger of the IFRS Foundation with the Value Reporting Foundation.
22. In December 2023, the IASB discussed an update on the Management Commentary project and next steps. Refer to Appendix B—December 2023 IASB Agenda Paper 15 *Management Commentary—Project Update* for more information.

The Integrated Reporting Framework

23. The Integrated Reporting Framework was issued by the International Integrated Reporting Council in December 2013 and revised in January 2021. The Integrated Reporting Framework governs the overall content of an integrated report and explains the fundamental concepts, guiding principles and content elements that apply in preparing an integrated report.

³ See Question 9 in the Invitation to comment on the [Management Commentary Exposure Draft](#).

⁴ See March 2022 [IASB Agenda Papers 15-15F](#) and April 2022 [IASB Agenda Papers 15-15I for the summaries of feedback](#).

⁵ See May 2023 IASB [Agenda Paper 15A](#).

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24. An integrated report is a concise communication about how an organisation's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation, preservation or erosion of value over the short, medium and long term. An integrated report is primarily prepared for providers of financial capital.⁶
25. Following the consolidation of the Value Reporting Foundation into the IFRS Foundation in August 2022, the IASB and ISSB assumed responsibility for the Integrated Reporting Framework which became part of the materials of the IFRS Foundation.⁷

Agenda papers for this meeting

26. The following Agenda Papers have been prepared for this meeting:
- (a) Agenda Paper 2A: *Feedback summary—Integration in Reporting* summarises the feedback on the proposed research project on integration in reporting; and
 - (b) Agenda Paper 2B: *Feedback summary—Connectivity* summarises feedback on connectivity.
27. At the joint meeting, the staff ask the ISSB and IASB to discuss each Agenda Paper in turn.

⁶ For the purposes of the Integrated Reporting Framework, 'providers of financial capital' are equity and debt holders and others who provide financial capital, both existing and potential, including lenders and other creditors. This includes the ultimate beneficiaries of investments, collective asset owners, and asset or fund managers.

⁷ [IFRS - Integrated reporting](#).

Appendix A—Extracts from November 2023 ISSB Agenda Paper 2: *Feedback summary—Cover paper and overview* and December 2023 ISSB Agenda Paper 2: *Feedback summary—Users of general purpose financial reporting*

- A1. This Appendix provides extracts from the following papers on the Consultation on Agenda priorities:
- (a) November 2023 ISSB Agenda Paper 2: [*Feedback summary—Cover paper and overview*](#) (paragraphs A2–A26); and
 - (b) December 2023 ISSB Agenda Paper 2: [*Feedback summary—Users of general purpose financial reporting*](#) (paragraphs A27–A29).

Extracts from November 2023 ISSB Agenda Paper 2: *Feedback summary—Cover paper and overview***Background⁸**

- A2. The ISSB has undertaken a public consultation on its agenda priorities (agenda consultation) to inform its work plan for the two-year period following the consultation. The ISSB published the Request for Information in May 2023, and it was open for comments for 120 days. The comment period ended on 1 September 2023.
- A3. The objective of the agenda consultation is to ask all those interested in sustainability-related financial reporting for their views on:
- (a) the strategic direction and balance of the ISSB’s activities;
 - (b) the suitability of criteria for assessing which sustainability-related matters (including topics, industries and activities) to prioritise and add to the ISSB’s work plan; and

⁸ Paragraphs 5–10 of the November 2023 ISSB Agenda Paper 2: [*Feedback summary—Cover paper and overview*](#).

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- (c) a proposed list of new research and standard-setting projects that could be added to the ISSB's work plan.
- A4. The Request for Information sought stakeholder feedback on four proposed research projects which could be added to the ISSB's next two-year work plan:
- (a) three research projects on sustainability-related risks and opportunities associated with the topics of:
- (i) biodiversity, ecosystems and ecosystem services (BEES);
- (ii) human capital; and
- (iii) human rights; and
- (b) one research project on integration in reporting to explore how to integrate information in financial reporting beyond the requirements related to connected information in IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*.
- A5. The Request for Information included eight questions:
- (a) Question 1—Strategic direction and balance of the ISSB's activities;
- (b) Question 2—Criteria for assessing sustainability reporting matters that could be added to the ISSB's work plan;
- (c) Question 3—New research and standard-setting projects that could be added to the ISSB's work plan;
- (d) Question 4—New research and standard-setting projects that could be added to the ISSB's work plan: Biodiversity, ecosystems and ecosystem services;
- (e) Question 5—New research and standard-setting projects that could be added to the ISSB's work plan: Human capital;
- (f) Question 6—New research and standard-setting projects that could be added to the ISSB's work plan: Human rights

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- (g) Question 7—New research and standard-setting projects that could be added to the ISSB’s work plan: Integration in reporting
 - (h) Question 8—Other comments
- A6. Stakeholders could respond to the Request for Information by submitting a comment letter or using the online survey.
- A7. During the comment period, ISSB members and technical staff conducted extensive outreach with a broad range of over 2,700 stakeholders across many jurisdictions to provide necessary context for and encourage response to the Request for Information. ISSB members and technical staff also met with the ISSB’s advisory bodies and standing consultative groups to discuss the Request for Information, including the IFRS Advisory Council, the Sustainability Standards Advisory Forum, the Sustainability Consultative Committee, the ISSB Investor Advisory Group, the Technical Reference Group and the IFRS Foundation Trustees.

Summary of key messages⁹

Strategic direction and balance of the ISSB’s activities (Agenda Paper 2A)

- A8. Most respondents were supportive of the scope of activities presented within the Request for Information. Among those activities, most respondents viewed ‘supporting the implementation of IFRS S1 and IFRS S2’ as the highest priority and highlighted the importance of this activity in supporting the ISSB’s mission to deliver the comprehensive global baseline of sustainability-related financial disclosures.
- A9. Respondents had mixed views in regard to the relative prioritisation of the ISSB’s other activities (ie, other than supporting the implementation of ISSB Standards); however, many acknowledged the interrelated nature of the activities as and noted the importance of all activities in supporting the global baseline.

⁹ Paragraphs 18–29 of the November 2023 ISSB Agenda Paper 2: [Feedback summary—Cover paper and overview](#).

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- A10. Many respondents commented on the importance of ensuring the interoperability of the ISSB Standards with other jurisdictional and voluntary sustainability standards and frameworks and encouraged the ISSB to work closely with other standard setters and framework providers as part of its interoperability efforts.
- A11. Some respondents called for the ISSB to more clearly articulate and define a longer-term strategic vision of the future of the ISSB Standards.

Criteria for assessing the priority of financial reporting issues that could be added to the ISSB’s work plan (Agenda Paper 2B)

- A12. Most respondents provided feedback on Question 2 of the Request for Information, which asked about the criteria the ISSB proposed to use when prioritising matters that could be added to its work plan. Almost all of them agreed with the appropriateness of the identified criteria. A few respondents did not agree with the suggested criteria.
- A13. Despite general agreement with the proposed criteria, many respondents suggested amendments or additions to the criteria to consider topics including, among others, interoperability of ISSB Standards with other sustainability-related standards and frameworks, ‘double’ or ‘impact’ materiality, global applicability of ISSB Standards, and connectivity with the International Accounting Standards Board (IASB).

Proposed projects that could be added to the ISSB’s work plan

Priority of proposed projects (Agenda Paper 2C)

- A14. Almost all respondents provided feedback on Question 3 of the Request for Information; however, there were mixed views as to whether the ISSB should prioritise a single project in a concentrated effort to make significant progress on that project, or prioritise multiple projects and make more incremental progress on each of them. Some respondents emphasised the need to quickly advance multiple projects to further the establishment of the global baseline of sustainability-related financial disclosures on a range of sustainability topics, while others noted the ISSB should progress its work more slowly or intentionally citing the ISSB’s limited capacity and

the desire to allow for sufficient time for the implementation and maturity of IFRS S1 and IFRS S2.

- A15. There were also mixed views among respondents on the particular project or set of projects that the ISSB should prioritise. Most respondents supported the ISSB prioritising at least one of the proposed projects identified in Appendix A to the Request for Information, but views on the relative priority of each of the projects were mixed. Further, a few respondents suggested revisions to the scope of some of the proposed projects.
- A16. A few respondents recommended the ISSB pursue projects that were not included as proposed projects in the Request for Information.

Feedback on proposed projects on sustainability-related risks and opportunities (Agenda Paper 2D)

- A17. Respondents to the Request for Information were generally supportive of the ISSB pursuing research projects on sustainability-related risks and opportunities related to BEES, human capital and human rights.
- A18. Common themes emerged from the feedback across BEES, human capital, and human rights topics:
- (a) most respondents said the ISSB should approach each of the topics holistically, rather than prioritising subtopics;
 - (b) most viewed the sustainability-related risks and opportunities as substantially different across industries and geographic locations for each of the topics, emphasising the importance of considering industry- and geographic specificity in ISSB research projects; and
 - (c) most suggested that the ISSB should build on other materials or the work of other organisations to advance the projects more quickly.
- A19. See Agenda Paper 2D for this meeting for Key Messages related to feedback on proposed research projects on the sustainability-related risk and opportunities associated with BEES, human capital and human rights.

Responses received to the Request for Information by stakeholder type and geographic region¹⁰

A20. The ISSB received 433 responses from 411 unique respondents to the Request for Information by 1 September (251 surveys and 160 comment letters). All responses to the Request for Information are available on the IFRS Foundation’s [website](#).

A21. Respondents to the Request for Information included the following types of stakeholders (Figure 1):

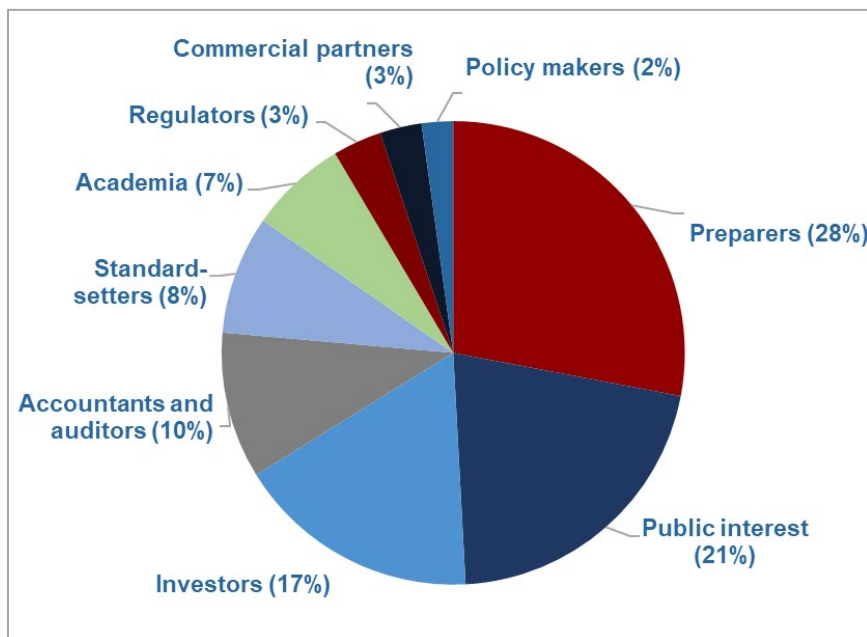


Figure 1 – Respondents by stakeholder type.

A22. Respondents to the Request for Information provided an international perspective, coming from all geographic regions (Figure 2).

¹⁰ Paragraphs 30–32 of the November 2023 ISSB Agenda Paper 2: [Feedback summary—Cover paper and overview](#).

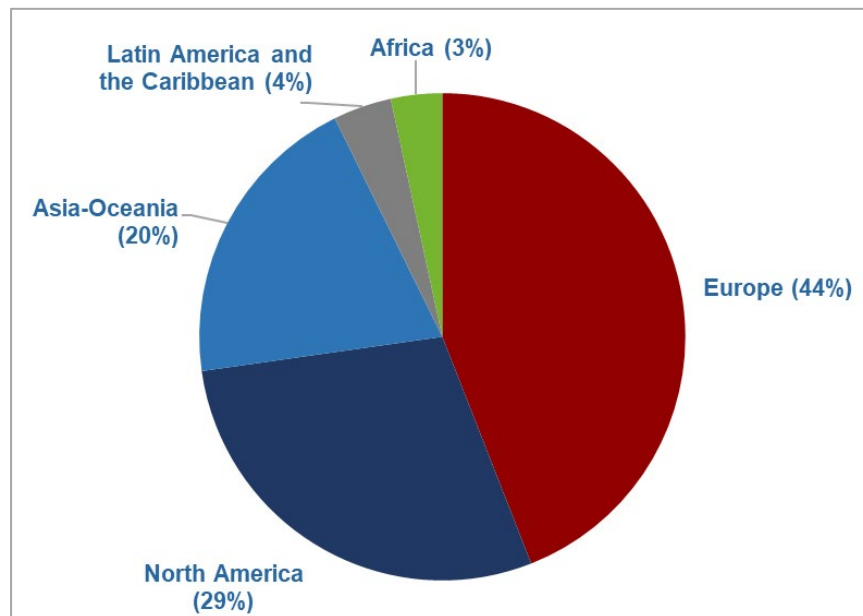


Figure 2 – Respondents by geographic region.

Next steps¹¹

A23. Following the summary of feedback discussed in this meeting, the staff will continue its analysis of the responses to the Request for Information with the aim of providing the ISSB with a more detailed understanding of the feedback in future ISSB meetings. After considering the detailed feedback analysis and related staff recommendations, the ISSB will make decisions on:

- (a) the strategic direction and balance of the ISSB’s activities;
- (b) the criteria for assessing which sustainability-related matters to prioritise and add to the ISSB’s work plan; and
- (c) new research and standard-setting projects to be added to the ISSB’s work plan.

A24. For future meetings the ISSB staff will also develop:

¹¹ Paragraphs 33–35 of the November 2023 ISSB Agenda Paper 2: [Feedback summary—Cover paper and overview](#).

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- (a) a summary of feedback to the Request for Information received from users of general purpose financial reports, as the primary audience of ISSB standards; and
 - (b) a summary of feedback on the proposed research project on integration in reporting, noting this paper will be presented for discussion at a future joint meeting between the ISSB and IASB.

A25. The final output of the agenda consultation will be the publication of a feedback statement summarising the feedback on the Request for Information, the ISSB’s response to such feedback, and the ISSB’s activities and work plan for the next two-year period. The ISSB aims to finalise decisions related to this Request for Information in the first half of 2024.

Extracts from December 2023 ISSB Agenda Paper 2: *Feedback summary—Users of general purpose financial reporting*

Key messages¹²

- A26. As it relates to the ISSB’s strategic direction and balance of activities, most users were supportive of the scope of activities presented within the Request for Information. Among those activities, similar to all other respondents, most users viewed ‘supporting the implementation of IFRS S1 and IFRS S2’ as the highest priority and highlighted the importance of this activity in supporting the ISSB’s mission to deliver the comprehensive global baseline of sustainability-related financial disclosures. Similar to all other respondents, a few users suggested that the ISSB more clearly articulate and define a longer-term strategic vision of the future of the ISSB Standards.
- A27. As it relates to the proposed criteria for assessing the priority of sustainability-related matters that could be added to the ISSB’s work plan, almost all users agreed with the

¹² Paragraphs 10–13 of the December 2023 ISSB Agenda Paper 2: *Feedback summary—Users of general purpose financial reporting*.

appropriateness of the identified criteria. Similar to all other respondents, despite general agreement with the criteria, many users suggested amendments or additions to the proposed criteria to consider such matters as interoperability of ISSB Standards with other sustainability-related standards and frameworks, different approaches to materiality, and connectivity with financial reporting and the International Accounting Standards Board (IASB).

- A28. As it relates to the priority of the proposed new research and standard-setting projects, similar to all other respondents, users had mixed views as to whether the ISSB should prioritise a single project in a concentrated effort to make significant progress on that project, or prioritise multiple projects and make more incremental progress on each of them. There were also mixed views among users on the particular project or set of projects that the ISSB should prioritise. Similar to all other respondents, most users supported the ISSB prioritising at least one of the proposed projects identified in Appendix A to the Request for Information, but views on the relative priority of each of the projects were mixed. Further, a few users suggested revisions to the scope of some of the proposed projects.
- A29. As it relates to the proposed research projects on the sustainability-related risks and opportunities related to biodiversity, ecosystems and ecosystem services (BEES), human capital and human rights, users were generally supportive of the ISSB pursuing work in these areas. Similar to all other respondents, users:
- (a) suggested that the ISSB approach each of the topics holistically, rather than prioritising subtopics;
 - (b) highlighted the importance of industry- and geographic-specificity in pursuing research on the topics; and
 - (c) encouraged the ISSB to consider and leverage relevant existing materials and work of other organisations, as appropriate, to advance the projects more quickly.

Appendix B—December 2023 IASB Agenda Paper 15: *Management Commentary—Project Update***Staff paper**

Agenda reference: 15

IASB® meeting

Date	December 2023
Project	Management Commentary
Topic	Project Update
Contacts	Jaco Jordaan (jjordaan@ifrs.org) Yulia Feygina (yfeygina@ifrs.org) Matt Chapman (mchapman@ifrs.org)

This paper has been prepared for discussion at a public meeting of the International Accounting Standards Board (IASB). This paper does not represent the views of the IASB or any individual IASB member. Any comments in the paper do not purport to set out what would be an acceptable or unacceptable application of IFRS® Accounting Standards. The IASB's technical decisions are made in public and are reported in the IASB® *Update*.

Purpose of the paper

1. In May 2023, the International Sustainability Standards Board (ISSB) published the [Request for Information Consultation on Agenda Priorities](#) (the ISSB's Consultation) seeking feedback on its priorities for its next two-year workplan. The ISSB's Consultation included a question on the priority of a potential project on integration in reporting and whether that project, if considered a priority, should be undertaken jointly with the IASB and build on the concepts from the IASB's Exposure Draft *Management Commentary*. The feedback on the potential project on integration in reporting and the ISSB's decisions in response to that feedback may feed into the IASB's decision about the direction of the Management Commentary project.
2. The comment period on the ISSB's Consultation ended on 1 September 2023. In January 2024, the IASB and ISSB will meet jointly to discuss the feedback on the potential project on integration in reporting.

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3. In preparation for the joint meeting, this paper summarises the developments in the Management Commentary project and outlines next steps. The paper is for information and does not ask the IASB for decisions.

Structure of the paper

4. The paper discusses:
 - (a) background and evolving landscape:
 - (i) the origin of the Management Commentary project (paragraphs 5–7);
 - (ii) the Management Commentary Exposure Draft (paragraphs 8–10);
 - (iii) feedback on the Management Commentary Exposure Draft (paragraphs 11–14);
 - (iv) the interaction with the Integrated Reporting Framework (paragraphs 15–16);
 - (v) the ISSB’s Consultation on Agenda Priorities (paragraphs 17–18); and
 - (b) next steps (paragraphs 19–21).

Background and evolving landscape

Origin of the project

5. Management commentary (sometimes known as management discussion and analysis, or MD&A) is a general purpose financial report that is required in many jurisdictions and provided alongside an entity’s financial statements and its sustainability-related disclosures. Management commentary or a similar report typically falls under the remit of local regulators. The IASB’s guidance on preparing management commentary, IFRS Practice Statement 1 *Management Commentary* (Management Commentary Practice Statement), was issued in 2010.

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6. The IASB added the Management Commentary project to its work plan in November 2017 following its research into developments in narrative reporting. That research indicated that since the Management Commentary Practice Statement was issued, many jurisdictions and organisations have published requirements and guidelines on narrative reporting. Those developments brought forth innovations but also created a complex reporting landscape. At the same time, the IASB's research suggested that in practice investors' information needs were not always being met, in particular the need for information that provides insight into factors that affect entities' long-term prospects.¹³
 7. The IASB's objective in the Management Commentary project was to develop a comprehensive, clear and structured framework that would build on innovations in narrative reporting and target shortcomings in reporting practice.

Management Commentary Exposure Draft

8. The Management Commentary Exposure Draft was published in May 2021 and represented a major overhaul of the Management Commentary Practice Statement. It was designed to enable an entity to bring together in management commentary the information about the key factors that have affected the entity's financial performance and financial position or could affect the entity's prospects, including in the long term—for example, information about the entity's key intangible resources and relationships or about key sustainability matters that affect the entity. Management commentary would be based on information used to manage the business, including metrics used to monitor an entity's financial and non-financial performance and position.
9. The IASB proposed an objectives-based approach that was designed to enable entities to identify and provide information that is useful to investors and to enable regulators and auditors to assess compliance with the revised Practice Statement. The IASB

¹³ This paper uses the term 'investor' to refer to the primary users of an entity's general purpose financial reports, namely existing and potential investors, lenders and other creditors.

anticipated that an effective basis for enforcement and assurance would be essential for local lawmakers who choose to adopt, build on or otherwise enable the application of the revised Practice Statement in their jurisdictions.

10. The IASB envisaged that entities would be able to apply the revised Practice Statement in conjunction with jurisdictional requirements and guidelines on management commentary or a similar report as well as with requirements and guidelines on specific topics, such as sustainability reporting. In particular, the IASB envisaged that entities might apply the revised Practice Statement in conjunction with the ISSB's Standards. While the Management Commentary Exposure Draft was published prior to the establishment of the ISSB, it invited comments on any matters relating to the IFRS Foundation Trustees' work on establishing the ISSB that the IASB should consider in finalising the revised Practice Statement.¹⁴

Feedback on the Management Commentary Exposure Draft

11. The comment period on the Exposure Draft ended on 29 November 2021 and the IASB discussed feedback at its March and April 2022 meetings.¹⁵ Many respondents, including almost all investors commenting, expressed support for the project.
12. Many respondents highlighted the important role of management commentary in corporate reporting and the need for the guidance on preparing management commentary to stay current. Respondents highlighted the following arguments in support of the IASB's work on the Management Commentary project:
 - (a) the proposals reflect investors' information needs and focus on information that would help investors understand how an entity creates value;
 - (b) the Exposure Draft provides comprehensive and well-structured requirements and guidance that would help preparers understand investors' information needs and prepare better management commentary;

¹⁴ See Question 9 in the Invitation to comment on the [Management Commentary Exposure Draft](#).

¹⁵ See March 2022 [IASB Agenda Papers 15-15E](#) and April 2022 [IASB Agenda Papers 15-15I](#).

- (c) the proposals could help improve connectivity between what respondents called ‘financial’ and ‘non-financial’ information;
 - (d) the proposals build on recent developments in narrative reporting; and
 - (e) global recognition and rigorous application of enhanced requirements on management commentary would improve comparability between entities and would benefit investors globally.
13. Most respondents to the Exposure Draft noted the interaction between the Management Commentary project and the remit of the ISSB and highlighted the need for collaboration between the boards. They encouraged the IASB to work together with the ISSB in advancing the project.
14. Some respondents to the Exposure Draft advocated a greater alignment between the requirements and guidance being developed in the Management Commentary project and the Integrated Reporting Framework.

Interaction with the Integrated Reporting Framework

15. In developing the proposals in the Management Commentary Exposure Draft, the IASB built on innovations in narrative reporting, including the Integrated Reporting Framework (which became part of the materials of the IFRS Foundation following the merger of the IFRS Foundation with the Value Reporting Foundation in August 2022).¹⁶
16. In April 2023, the IASB staff and the Integrated Reporting and Connectivity staff presented their joint analysis of similarities and differences between the Management Commentary Exposure Draft and the Integrated Reporting Framework to the IFRS Advisory Council and to the Integrated Reporting and Connectivity Council. In May 2023, the staff presented this analysis at an education session for the IASB, together with feedback from those advisory bodies.¹⁷

¹⁶ See press release [Integrated Reporting—articulating a future path](#).

¹⁷ See May 2023 [Agenda Paper 15A](#).

ISSB's Consultation on Agenda Priorities

17. The ISSB's Consultation sought feedback on, among other topics, a potential project on integration in reporting, specifically:
 - (a) what the relative priority of advancing that project as part of the ISSB's next two-year workplan should be compared to the three sustainability-related topics described in the ISSB's Consultation;
 - (b) whether, if prioritised, the project should be advanced as a formal joint project with the IASB, or pursued as an ISSB project (which could still draw on input from the IASB as needed); and
 - (c) whether, in pursuing the project, the ISSB should build on and incorporate concepts from the Management Commentary Exposure Draft, the Integrated Reporting Framework and other sources.

18. In November 2023, the ISSB started its discussion of feedback on the ISSB's Consultation. The feedback on the potential project on integration in reporting, including whether it should be prioritised and how it should be conducted, will be presented to the ISSB and IASB for a joint discussion in January 2024.

Next steps

19. The IASB and ISSB will meet jointly to discuss the feedback on the potential project on integration in reporting in preparation for:
 - (a) the ISSB deciding on the priorities for its next two-year workplan, including whether and how to pursue a project on integration in reporting; and
 - (b) the IASB deciding on the direction of the Management Commentary project.

20. The staff will present to the IASB an analysis of alternatives for the way forward on the Management Commentary project after the joint boards meeting. Possible alternatives could include, but may not be limited to:

- (a) advancing the project in collaboration with the ISSB, which could take various forms, including a formal joint project;
 - (b) proceeding with the IASB project, which could still draw on input from the ISSB and lay the foundation for any future joint work; and
 - (c) pausing the project until, for example, the new reporting landscape created by the establishment of the ISSB becomes more settled.
21. In making the decision on the way forward for the project, the IASB will need to consider the scope of its future work, which could range from making limited improvements to the Management Commentary Exposure Draft in response to the feedback to a more comprehensive review of the proposals in the light of the developments in the reporting landscape since the Exposure Draft was published.