
Agenda paper 1

Advisory Council Feedback Report

IFRS Advisory Council
November 2025

The views expressed in this presentation are those of the presenter, not necessarily those of the IFRS Foundation, International Accounting Standards Board or the International Sustainability Standards Board. Copyright © 2022 IFRS Foundation. All rights reserved.

Feedback report overview

Objective

Update the Advisory Council on how its feedback has been incorporated into the IFRS Foundation's strategic activities.

Feedback implementation



Substantially
implemented
(will not be reported again)



In process



Limited progress



Questions or comments on how your advice is being incorporated into our strategic activities?

Overview

The following strategic activities have been discussed by the Advisory Council in the last year:

Project	Status	Reference
Horizon scanning: Corporate reporting in the future	Communicated to Trustees, helping to inform their deliberations about mid to long-term strategy.	N/A
Attracting long-term funding commitments	This remains a priority for the Foundation and will be discussed further at the November Advisory Council meeting.	See slide 4
IASB's Fourth Agenda Consultation – proposed approach	In July 2025, the ISSB decided to start work on its next agenda consultation in late 2026, publishing a Request for Information in 2027. In Sep 2025, the IASB decided to: - suspend its Fourth Agenda Consultation to align timing with the ISSB ('concurrent agenda consultations') to help stakeholders respond more effectively. - use capacity becoming available on existing and new projects until the conclusion of extend its Third Agenda Consultation period until the conclusion of the concurrent agenda consultations.	See agenda paper 4

We confirm that all Advisory Council feedback from the last meeting has been communicated to Trustees, IASB members, ISSB members and staff. The report is attached as Appendix A

Attracting long-term funding commitments



Advisory Council feedback

Members provided a number of suggestions, including:

- **Value proposition:** The Foundation's independent boards have a strong track record in developing global standards, providing high-quality, comparable, and relevant information for investors and serving the public good. A communications plan, supported by data, should highlight the global benefits of IFRS Standards to encourage funding.
- **Funding models:** Various models were discussed, including small fees on financial statement submissions and contributions from listed companies and investors. There are challenges with board-specific versus Foundation-wide funding, and clear financial targets are needed for each model.
- **Sources of support:** Governments should play a major role, but other organisations and investors, as well as IOSCO and the IFRS Foundation Monitoring Board, should also be engaged.
- **Expanding contributors:** Focus on bringing in new contributors from jurisdictions using IFRS Standards rather than increasing requests to current contributors. A more assertive approach may be justified.
- **Principles for funding:** Emphasise transparency, stability, fairness (proportional to use of IFRS Standards), and reduced reliance on large contributors.

Chair's summary:
[April 2025](#)

Actions and activities since Advisory Council discussion

Achieving financial resilience for the Foundation continues to be a priority for the Trustees and was discussed in depth at their meeting in June 2025.

An immediate priority is to work with existing IASB funders to adjust contributions for inflation and the corresponding loss in purchasing power for 2026 and, to the extent possible, in 2025.

In parallel the Foundation is pursuing discussions on the refinancing of the seed funding received when setting up the ISSB.

The Foundation is also in the process of developing a 'Fair Share Funding Model' as a more structured approach to jurisdictional contributions.

At the November 2025 Advisory Council meeting, members will be asked to provide advice on how the Foundation can encourage jurisdictions to contribute their fair share to the benefits of IFRS Standards.

Next steps:

The Advisory Council will discuss how to achieve a fair-share funding model for the IFRS Foundation at this meeting [\[see agenda paper 3\]](#)

Thank you

IFRS Advisory Council

Date **1–2 April 2025**

Contacts **AdvCouncil@ifrs.org**

This document summarises a meeting of the IFRS Advisory Council, the formal strategic advisory body to the Trustees of the IFRS Foundation, the International Accounting Standards Board and the International Sustainability Standards Board. The IFRS Advisory Council consists of a wide range of representatives, comprising individuals and organisations with an interest in international financial reporting.

Introduction

1. The IFRS Advisory Council (Council) met in person on 1 and 2 April 2025. In addition to the Council members, the meeting was attended by the Chair of the International Accounting Standards Board (IASB), the Chair of the International Sustainability Standards Board (ISSB) and several IFRS Foundation staff.
2. The agenda and papers for the meeting, as well as the meeting recording, are available at: [IFRS - IFRS Advisory Council](#).
3. Merran Kelsall AO was welcomed to her first meeting as Advisory Council Chair. In her introduction, Ms Kelsall also welcomed the following members to their first meeting:
 - Tina Aggerholm, BusinessEurope
 - Alexis Boher, International Monetary Fund
 - Nan Li Collins, UN Trade and Development
 - Simon Curtis, International Actuarial Association
 - Maria Erviti, Banco Bilbao Vizcaya Argentaria
 - Shinya Iwasaki, Deloitte
 - Manil Jayasinghe, Chartered Accountants of Sri Lanka and South Asian Federation of Accountants
 - Grace Kamau, Institute of Certified Public Accountants of Kenya
 - Takashi Kozu, The Securities Analysts Association of Japan
 - Qiyun Lin, Ministry of Finance, China
 - Robert McCormick, Council of Institutional Investors
 - Thomas Senger, Grant Thornton

Update on the Trustees' Activities

4. Erkki Liikanen, Chair, IFRS Foundation Trustees provided an update on Trustee activities since the Council last met in November 2024. In particular, he focused on:
 - **IFRS Foundation 2024 Annual Report:** Mr Liikanen confirmed that the [2024 Annual Report](#) had been published that morning, emphasising the Foundation's role in bringing transparency, accountability and efficiency to global capital markets. He highlighted the importance of stakeholder engagement and collaboration to develop reporting standards that provide decision-useful information for investors, are cost-effective for companies and enforceable by regulators worldwide.
 - **Key accomplishments in 2024:** He noted the report highlighted a number of achievements in 2024, including the issuance of two new accounting standards by the IASB: IFRS 18, which overhauls how companies present their financial performance, and IFRS 19, which sets out disclosure requirements for subsidiary companies. He also emphasised the ISSB's work in supporting jurisdictions adopting or using its standards, with 36 jurisdictions, representing over 40% of global market capitalisation, publicly announcing plans to adopt or use ISSB Standards. Mr. Liikanen also discussed the ISSB's

efforts to enhance sector-specific standards and its research projects on sustainability-related risks and opportunities arising from biodiversity, ecosystems and ecosystem services, and human capital.

- **Financial performance:** Mr. Liikanen provided an overview of the Foundation's financial performance, noting a pre-tax deficit of £1.6 million for 2024, reducing the Foundation's reserves to £48 million. The deficit was mainly due to one-off expenditures on technology programmes and a shortfall in funding as the organisation refreshes its funding programmes.
- **Organisational review and future funding model:** Mr. Liikanen reported on the Trustees' work to ensure the Foundation is fit for the future, including a reorganisation to streamline resources, cost savings—including the reduction of staff costs—and the creation of a new funding team to implement a multi-year strategy for enhancing funding arrangements in support of both boards.

5. In the ensuing discussion, a number of themes arose, including:

- **Funding challenges:** It was highlighted that the funding for the IASB has reduced over time, including jurisdictional contributions from the US, the EU and countries in Asia. There are efforts to reactivate funding from jurisdictions that have stopped contributing.

In relation to the ISSB, its early development relied mostly on legacy organisations' funding and seed funding by public-private partnerships. This funding is now increasingly complemented by emerging philanthropic and corporate funding support and will gradually be diversified towards a market participants-led funding model akin to the IASB's.

It was emphasised that stakeholders' support is crucial for funding efforts. The Foundation is working to ensure that funding is viewed as a normal cost of business rather than an extra donation.

- **Impact of cost saving measures:** The discussion considered how the measures would affect staff morale and the boards' technical work. It was acknowledged that the implementation of cost-saving measures creates a difficult moment for the organisation and its staff, but a number of steps are being made to minimise the impact and ensure the organisation remains sustainable for the future. It was also acknowledged that the measures will affect both boards and adjustments will be required but it is expected that they will still be able to deliver on their priorities.
- **Timeline for cost saving process:** It was noted that the reorganisation process should be completed by the end of the second quarter of 2025 and the organisation aims to return to a balanced financial position by the end of 2027.
- **Assessment of steps taken to create the ISSB and consolidate the organisations:** There was discussion around whether a post-implementation review had been carried out on the process to create the ISSB and whether the expected benefits and costs were as anticipated. It was agreed that there were no doubt lessons that could be learned but the Foundation has delivered on the commitments it made and the focus is now on ensuring the boards are able to continue to deliver on their ambitions.

Update on the IASB's Activities

6. Andreas Barckow presented Agenda Paper 3, providing an update on the IASB's activities. In particular, Mr. Barckow highlighted:

- the IASB's main accomplishments in 2024;
- forthcoming publications in 2025;
- uncertainties including those at geopolitical landscape and how they impact the IASB's technical work; and
- connectivity between the IASB and ISSB.

7. The ensuing discussion among Council members focused on several issues, including:

- **Geopolitical risks and IFRS Foundation's organisational review:** Several Council members expressed concerns about the impact of geopolitical tensions and cost-cutting measures on the IASB's work. One Council member inquired whether there is a plan for in-depth analysis and advocacy among policymakers to address global geopolitical challenges and suggested collective actions for capacity building with limited resources. Another Council member suggested using generative AI where possible to save time and allowing human resources to focus on more important tasks.

Mr. Barckow emphasised the need to adjust project pace based on available resources and different priorities. He highlighted the importance of understanding and weighing different views to make informed decisions using the IASB's prioritisation framework. Mr. Barckow confirmed that the IASB, as an apolitical body, continues to focus on meeting investors information needs.

- **Implementation of IFRS 18 *Presentation and Disclosure in Financial Statements*:** Two Council members raised a concern that IFRS 18 is causing implementation challenges for users and preparers and suggested the IASB consider establishing a Transition Resource Group (TRG) for IFRS 18 that would be able to help address those issues. Another Council member said that a TRG would slow down the process and that the IFRS Interpretations Committee is best placed to address those issues.
- **Outcome of the IASB's horizon-scanning activities:** One Council member shared a concern about the slow progress on resolving hyperinflation-related issues and another Council member expressed disappointment that accounting for pollutant-pricing mechanisms have not yet been tackled, despite their rising importance.
- **Engagement with stakeholders and fellow standard-setters:** One Council member cautioned against reducing travel and staff costs, despite cost pressures, emphasising the importance of stakeholder views when developing standards, whereas another suggested participating in less outreach but with larger audiences. Another Council member suggested that different standard-setters should come together to navigate challenges collectively.
- **Feedback on recent IASB's publications:** One Council member expressed appreciation for issuing the third edition of the *IFRS for SMEs Accounting Standard* and raised a query regarding whether there are plans to get more jurisdictions on board to use the Standard. Another Council member expressed appreciation on the IASB's effort to reduce disclosures by issuing IFRS 19 and enquired about the exchange with supervisory authorities regarding the current accounting standards. One Council member inquired about the dynamics of climate-related disclosures in financial statements and plans to navigate opposing stakeholder expectations.

Update on the ISSB's Activities

9. Emmanuel Faber, Chair of the ISSB, summarised the ISSB's journey since 2021 and highlighted how the seed funding enabled the ISSB to rapidly achieve several milestones with more than 35 jurisdictions on the journey to adopt or use the ISSB Standards to date. In response to Council members' comments, he expressed the view that the timing of the review of the Foundation's operating model provides opportunities to improve operational efficiency in delivering the ISSB's work plan for 2024–2026.
10. He highlighted the main aspects of Agenda Paper 4, which outlined developments in the ISSB's activities since the previous meeting of the Advisory Council:
 - activities to support the implementation of IFRS S1 and IFRS S2, including (a) the release of new educational material about ISSB Standards, such as a guide to help companies identify sustainability-related risks and opportunities and material information and a guide on how to report only climate-related information; and (b) the decision to propose targeted amendments to IFRS S2.

- activities to advance adoption of the ISSB Standards, including (a) the launch by The Growth and Emerging Markets Committee of IOSCO of a dedicated network to support its members in the adoption or other use of ISSB Standards; (b) the launch by the IFRS Foundation of a roadmap development tool to help jurisdictions as they develop a detailed project plan for adopting or otherwise using ISSB Standards.
- activities to advance the projects in the ISSB's work plan, including the enhancement of the SASB Standards and the research of sustainability-related risks and opportunities associated with biodiversity, ecosystems and ecosystem services, and human capital.

11. The session's discussion among Council members was focused on several topics, including:

- the importance of continuing to build capacity for preparers and regulators to support implementation and adoption of ISSB Standards, including via additional resources in the IFRS Sustainability Knowledge Hub;
- the quality of the sustainability-related disclosures provided to investors, also in the light of monitoring activities done by some Council members;
- any effect of the proposed targeted amendments to IFRS S2 to entities currently applying the Standard; and
- the implications on the ISSB's work, and on the interoperability between the European Sustainability Reporting Standards (ESRS) and ISSB Standards, of announced revisions to the ESRS, which are expected later in the year.

Horizon-scanning: Corporate reporting in the future

12. Mark Byatt, Chief of Communications, presented Agenda Paper 5 which set the scene for a discussion in breakout groups on three questions:

- **Geopolitics:** To what extent are geopolitical changes affecting corporate reporting priorities?
- **Technology:** How is technology and generative artificial intelligence re-shaping how investors consume financial information, and what does this mean for standard-setters?
- **Other factors:** What other developments should the IFRS Foundation consider regarding how companies report?

13. The Council members met in four breakout groups in closed session. The Chairs of each breakout group reported on the discussions and conclusions in the public plenary session.

14. Key themes arising in the discussions included, but were not limited to:

Geopolitics:

- **Impacts on disclosures:** The intersection of geopolitics and financial reporting is increasingly complex. For instance, British and European companies with subsidiaries in the US face challenges due to differing legal frameworks around sustainability reporting. In the UK and Europe, companies are required to disclose diversity metrics, while in the US, such disclosures can be contentious, potentially leading to cuts in funding.
- **Impacts on the regulatory environment:** Political changes, such as those in the US, can affect attitudes towards corporate reporting. Moves towards deregulation could lead to reduced adoption and enforcement of standards.
- **Impacts on the global framework:** The global framework provided by IFRS Standards is important for facilitating cross-border trade, particularly for smaller jurisdictions, but geopolitical changes can challenge the adoption and consistency of these standards. Different local interpretations and

adaptations of standards can create inconsistencies. For example, one Council member suggested IFRS 17 is interpreted differently across jurisdictions, with variations in discount rates and contract classifications. This highlights the tension between principles-based and rules-based approaches, with local interpretations playing a significant role. The Foundation needs to think about how potential inconsistencies affect the IFRS brand.

Technology:

- **Technological advancements and financial reporting:** Rapid technological changes make it difficult to predict future impacts on financial reporting and could therefore create challenges for the IFRS Foundation in developing a strategy. The Foundation must navigate these changes carefully.
- **Changing trends in data consumption:** Investors are increasingly using AI to collect data outside of financial statements for projections. The future of corporate reporting may involve real-time information rather than periodic reports. This shift could require a re-evaluation of the role of the standard-setters and the core product delivered by accountants.
- **Enhanced data consumption:** Technology and generative AI are making financial information more accessible and easier to consume for investors. Structured digital information, such as Taxonomy and XBRL, continues to be valuable for investors. However, sustainability reports often contain unstructured information, which is challenging for machines to process.
- **Reliability:** The reliability of financial data is crucial, and standards like IAS 1 need to ensure data integrity even as technology evolves. AI tools can analyse and compare data, but they are still evolving and often provide incorrect accounting answers. Therefore, human judgement remains critical. Furthermore, there is a need for reliable disclosure about how AI is used in financial reports.
- **Complexity:** The rise of machine-to-machine communication and information overload poses challenges, as machines can handle large volumes of data, but humans may struggle with the complexity.

Other factors:

- **Relevance:** The Foundation should continue to adapt and stay relevant in a rapidly changing landscape. For example, it should consider developing frameworks for valuing goodwill and other intangibles, which are increasingly important in new business models. It was also noted that there is uncertainty about how to account for cryptoassets and stablecoins on the balance sheet.
- **Focus on core mission:** The Foundation must remain focused on what is important, avoiding distractions from trending topics. There is an increasing risk of global fragmentation and the Foundation is in a unique position to promote global standards.

Attracting long-term funding commitments

15. Michel Madelain, Managing Director, and Kristi Robinson, Chief Financial Officer, presented Agenda Paper 6 and invited Council members' feedback on the following questions:

- What mix between various sources of funding should we be targeting and what are the key considerations in choosing such a mix?
- What could be a sustainable funding model for the ISSB e.g. should it be targeted at particular funding sources or diversified?
- Should/ could we move to a Foundation-based model versus a board-specific model?

16. Key themes arising in the discussion included:

- **Value proposition:** A clear articulation of the Foundation's value proposition is key to demonstrate to stakeholders why it is important to financially support the Foundation and its mission. The Council emphasised the Foundation had a clear value proposition for investors, capital markets in general and the public good: its independent boards, with a proven track record of developing global standards that result in high quality, comparable and relevant information for investors.
- **Principles for developing the funding model:** These should include transparency, stability of funding sources, fairness in proportion to the use of IFRS Standards and reduced dependence on large contributors.
- **Expanding the base of contributors:** It was suggested that the Foundation should focus efforts on expanding the base of contributors to include those jurisdictions profiled that use IFRS Standards but are not in the current list of contributors. Focusing on those jurisdictions should be prioritised over requesting increased support from current contributors. It was argued that a more assertive approach to requesting contributions could be adopted because non-contributors benefit from the product.
- **Sources of support:** Council members noted that governments should play a significant role in funding and should be directed towards the value proposition and public good. However, it was also highlighted that there are other bodies within jurisdictions, in addition to governments, that should be involved. Members also emphasised the need to mobilise investors, the International Organization of Securities Commissions (IOSCO) and the IFRS Foundation Monitoring Board to support funding efforts.
- **Mobilising support:** It was suggested that a communications plan should be developed to establish expectations and mobilise support, supported by data on the global benefits of IFRS Standards. It was emphasised that efforts to moderate costs should be communicated when asking for further funding.
- **Funding models:** Various funding models were explored. This included mechanisms by which jurisdictions could raise contributions by charging small fees on the submission of financial statements and mechanisms to collect contributions from listed companies and investors who benefit from the use of the IFRS Standards. The Council also discussed Foundation-based versus board-specific funding models, noting the challenges posed by the different levels of maturity and adoption of standards developed by the two boards. It was emphasised that clear financial targets should underpin each model that is used.
- **Non-financial support:** It was suggested that the Foundation consider outsourcing early-stage research projects to national standard-setters to save costs.

IASB's Fourth Agenda Consultation – proposed approach

17. Nili Shah, Executive Technical Director of the IASB, Rachel Knubley, IASB Technical Director and Megumi Makino, IASB Technical Staff, presented Agenda Paper 7, providing background information and the proposed approach to the IASB's Fourth Agenda Consultation.
18. Council members were asked for their comments on (1) the proposed approach to the IASB's Fourth Agenda Consultation; (2) potential joint IASB-ISSB projects to be described in the Request for Information; and (3) a list of potential IASB projects to be described in the Request for Information. The Request for Information is planned for publication in the fourth quarter of 2025 to seek public feedback.
19. In relation to the **proposed approach to the IASB's Fourth Agenda Consultation**, key themes arising in the discussion included:
 - **Timing of agenda consultations:** Council members expressed strong support for the IASB and the ISSB to align the timing of their respective agenda consultations, while acknowledging that this outcome might not be feasible immediately. Aligning the timing of agenda consultations could enable more harmonised resource allocation. However, one Council member said aligning the timing might

give an incorrect impression that the projects of one board would be prioritised over the projects of the other board.

- **Capacity indicators and resource allocation:** Council members suggested providing clear capacity indicators in the Request for Information to help stakeholders provide informed feedback. A few Council members suggested providing transparency in the Request for Information about the impact of IFRS Foundation cost-cutting measures on resource availability.
- **Connectivity between the IASB and the ISSB:** Council members said connectivity between the IASB and the ISSB is important. Suggestions for the Request for Information included: using consistent terminology for both boards; focusing on reporting outcomes rather than processes; and considering connectivity from the standpoint of entities that apply either IFRS Accounting Standards or IFRS Sustainability Disclosure Standards but not both. Some Council members suggested being more explicit in the description of each potential IASB project about potential connectivity with the work of the ISSB.
- **Consideration of active projects and being future-oriented:** There was general support for the proposed approach to ask, in the Request for Information, for general comments on the IASB's work plan and not consider for withdrawal any active projects. A few Council members suggested that the IASB consider the need to be agile for changes in circumstances and be more future-oriented, with a view towards longer-term project prioritisation.

20. Some Council members expressed mixed views on **potential joint IASB-ISSB projects to be described in the Request for Information**. Comments included:

- **Priority of joint projects:** Some Council members cautioned against pursuing joint projects at the expense of priority IASB projects. Members expressed mixed views about the importance, timing and feasibility of a joint conceptual framework project.
- **Project identification approach:** One Council member suggested that the IASB first identify priority topics through the agenda consultation and then determine whether to consider each topic jointly with the ISSB, rather than pre-determining joint projects.
- **Specific projects:** One Council member reported on the results of a recent survey it conducted which showed stakeholder support for asking in the Request for Information about joint projects on integration in reporting and materiality. The survey also showed support for IASB and ISSB collaboration in considering topics such as cryptocurrencies and pollutant pricing mechanisms.

21. Council members generally expressed support for the proposed **list of potential IASB projects to be described in the Request for Information**. In particular, Council members mentioned for inclusion the topics of operating segments, pollutant pricing mechanisms, cryptocurrencies and corporate wrappers. Some Council members questioned reprioritising projects that had already been identified as priority projects in the Third Agenda Consultation.

Closing remarks from the Advisory Council Chair

22. Ms. Kelsall concluded by highlighting some of the key themes that had arisen across the two-day meeting. She expressed her gratitude to Council members for their contributions.
23. It was confirmed that the Council would next meet in person in London on Tuesday 4 and Wednesday 5 November 2025.