IFRS Foundation

Agenda paper 2

IFRS Foundation Update

IFRS Advisory Council
November 2025

Agenda

1. Key developments since last meeting
2. June and October 2025 Trustees meetings
3. Stock take
4. Transformation programme
5. Finance: budget and funding

Key developments – people

Monitoring Board & Trustees

- Toshiyuki Miyoshi, Vice Minister for International Affairs of the JFSA, new Chair of the Monitoring Board (from August)
- Hans-Ulrich Engel appointed as Trustee (from September)

IASB & ISSB

- Yu Chen, appointed to the IASB (from 2026)
- Bertrand Perrin reappointed to the IASB
- Search for Andreas Barckow's successor as IASB Chair started
- Sue Lloyd, Elizabeth Seeger and Hiroshi Komori reappointed to the ISSB
- Ann Tarca, Jianqiao Lu, Michael Jantzi and Tae-Young Paik have stepped down as board members
- Gary Berchowitz, Claire Dusser and Usman Hamid appointed to the IFRS Interpretations Committee

Staff

- Renata Zrobek, Chief People Officer
- Eleanor Dougoud, Chief Revenue Officer
- Riana Wiesner, senior technical director, and Rachel Knubley, deputy senior technical director – succeeding IASB technical director Nili Shah
- Chie Ukai, office manager, Asia-Oceania Liaison Office (Tokyo)

Trustees meetings: Key discussions

June 2025 Trustees meeting – Milan

Transformation programme

- Cost review largely completed
- Gradually transition from 14 to 10 members of each board
  - Fully completed by the end of 2028 – as board members' terms come to an end
  - Focus on maintaining the boards' independence, geographic balance and expertise in transition
- Consultation planned for H1 2026 on targeted amendments to *Constitution* – on how best to maintain appropriate diversity and geographic balance, voting rights etc (not about number of members)

October 2025 Trustees meeting – London

1. **Review of regional developments**
   - Africa, Americas, Asia, EU
2. **Technical work**
   - Update from board Chairs, concurrent and agile agenda consultations
   - IFRS Taxonomy and its relevance in the AI age
3. **Transformation programme**
   - Funding
   - Long-term organisational strategy
   - HR policies and management capacity
   - Revisions to *Constitution*
   - Communication

Stock take (SWOT)

Strengths	Weaknesses
• Critical component of global financial system • Financially material standards, trusted by the market • Proven model of global cooperation • Track record of achievements • High quality staff and due process • Often cited as a blueprint for others	• Standards as a free good • Erosion or uncertainties on funding model • Risk of misunderstandings and confusion on mandate
Opportunities	**Threats**
• Focus on mandate and message • Further transparency and engagement • Transformation programme: An organisation fit for the future • Securing sustainable funding base	• Geopolitical • Economic • Technology / AI (both opportunity and threat)

IFRS Foundation

Two-year transformation programme

Objective

To build a ***stronger, more focused and resilient*** *Foundation that is* ***fit for the future*** *and* ***resourced*** *to meet its* ***vital public interest mission****.*

Transformation programme: How we get there

Simplified our management structures and reporting lines and streamlined our decision-making

Undertook a review of operating costs to ensure the efficient and effective use of resources across the Foundation

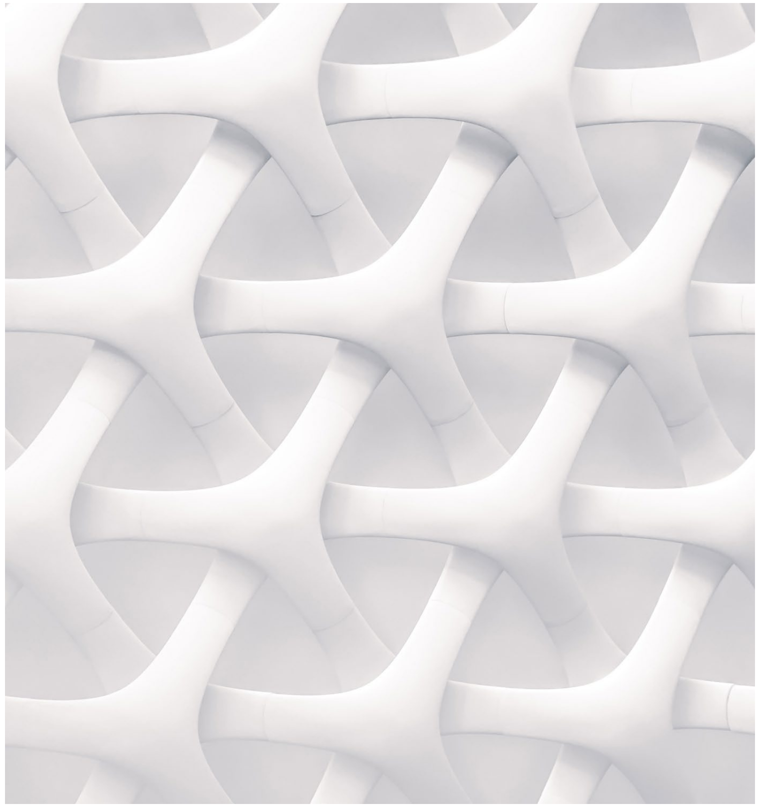
Introduced plans to strengthen income-generating programmes, including creation of a unified revenue team

Began work to refresh the Foundation’s medium to long term strategy

Focus on funding

Sharing the costs and benefits of IFRS Standards

- IFRS Standards **bring benefits to all jurisdictions**, regardless of whether they require use of or align with IFRS Standards
- However, whilst the benefits of IFRS Standards as market infrastructure are universal, **contributing to the costs** of their development and maintenance is not
- International standard-setting **requires significant ongoing investment** to deliver high-quality outcomes
- Our work requires **sustainable, separate funding** that must be structured to avoid undue influence by specific jurisdictions or stakeholder groups

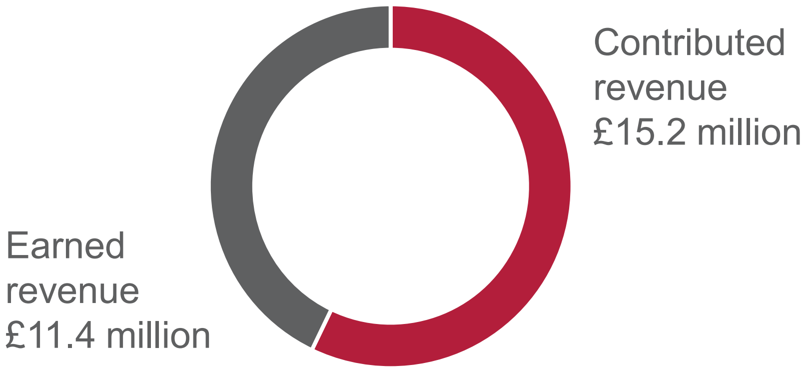


IFRS Foundation

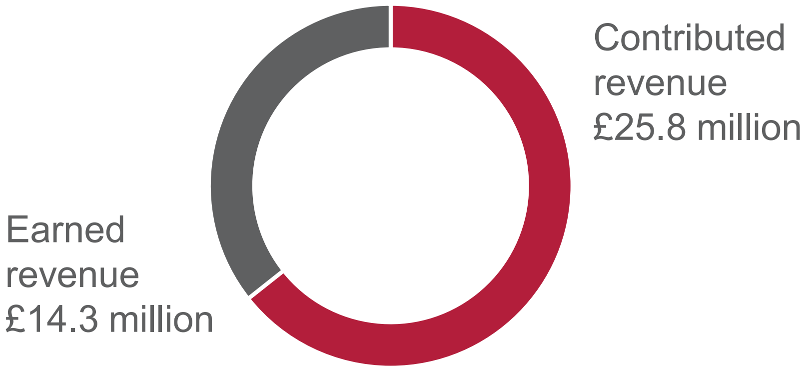
How we are funded

- **Total revenue in 2024:** £67.6 million – made up of contributed revenue supplemented by earned revenue
- **Contributed revenue:** voluntary contributions from jurisdictions + seed funding, philanthropic funding, contributions from companies
- **Earned revenue:** licensing IP, subscription services, membership and education programmes, conferences

IASB 2024



ISSB 2024



Jurisdictional funding objectives

SHORT TERM (2025-2026)

IASB
Adjust contributions for inflation
Expand universe of contributors

ISSB
Extend / replace seed funding

MEDIUM TERM (2027-2029)

BOTH BOARDS
Sustainable funding model

- Maintain separate funding for IASB, ISSB
- Fair share of costs for jurisdictions
- Complemented by earned revenue, contributions from philanthropies / corporates

Our model with separate funding for the IASB and the ISSB allows for jurisdictions to limit their contribution to supporting exclusively the board whose Standards they are using.

Questions