IFRS Foundation

Staff paper

Agenda reference: 3

IFRS Advisory Council

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Project	**IFRS Advisory Council**
Topic	**Funding of the IFRS Foundation and its boards**
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At the April 2025 meeting of the IFRS Advisory Council, IFRS Foundation Leadership set out the current funding arrangements for the IFRS Foundation and its boards, before seeking feedback on three specific questions:

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

Feedback from the discussion informed the Leadership's approach to addressing the funding challenges – in particular, (a) for the IASB, broadening and increasing funding from jurisdictional contributions, and (b) seeking to renew or replace the ISSB's seed funding arrangements. Both activities represent transitional funding arrangements to allow sufficient time for the IFRS Foundation to develop and implement a longer-term funding strategy.

We return to the Advisory Council, to seek further advice on how to advance the IASB's jurisdictional contribution element of this transition strategy. Whilst all jurisdictions benefit from IFRS Accounting Standards (including the more than 140 jurisdictions that have adopted IFRS Accounting Standards or the remaining jurisdictions who either permit or align with these Standards), fewer than 30 have funding arrangements organised by jurisdictional authorities.

Moreover, the amount of funding has not been adjusted annually for inflation, whilst some jurisdictions have ceased funding altogether. As a result, taking inflation into consideration, over the last five-year period IASB jurisdictional contributions have reduced by 38% in real terms.

We recognise that all jurisdictions require a compelling proposition to allocate contributions to support international organisations. As such, we are seeking the advice of Advisory Council members to develop and refine that proposition as follows:

In our jurisdictional discussions, how should we articulate the following points:

1. What are the key benefits arising from the use of IFRS Standards?
2. Who do these benefits impact the most?
3. Based on this, how do we ensure jurisdictions contribute to the costs of providing these benefits?
4. To what extent do you think that this could also be applied to jurisdictions that adopt ISSB Standards?