
IFRS Advisory Council

Date **4-5 November 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 (IASB) 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 4 and 5 November 2025. The meeting was attended by the Chair of the International Accounting Standards Board (IASB), the Vice Chair of the International Sustainability Standards Board (ISSB) and several IFRS Foundation staff.
2. The agenda and papers for the meeting, and the meeting recording, are available at: [IFRS Advisory Council](#).
3. Merran Kelsall AO, Advisory Council Chair, welcomed members to the meeting. In her introduction, Ms. Kelsall emphasised the Council's role as a strategic body of the IFRS Foundation.
4. Ms. Kelsall highlighted the importance of the Council's advice to the boards and the Trustees. She emphasised the strong connection between the Council and Trustees, noting that she had presented the work of the Council at the October meeting of the Trustees.
5. Agenda paper 1 was referenced. The paper summarises advice received at the April meeting and outlined steps that had been taken since that advice was provided. There were no comments or questions on the paper.

Update on the IFRS Foundation's Activities

6. Michel Madelain, Managing Director, provided an update on Trustee activities since the Council last met in April 2025. In particular, he focused on:
 - **People:** Recent developments include leadership changes at the Monitoring Board, the appointment and reappointment of Trustees, IASB and ISSB members, and ongoing progress to build capacity of key staff.
 - **Trustee meetings:** Meetings in Milan in June and London in October focused on regional developments, technical work, funding, long-term strategy, human resources and management capacity, and communications.
 - **SWOT analysis:** Current strengths, weaknesses, opportunities and threats were highlighted, including:
 - **Strengths:** Broad adoption of Standards (accounting standards adopted in over 140 jurisdictions), trusted by global stakeholders, inclusive due process and strong staff.
 - **Weaknesses:** Funding model is highly concentrated in a few jurisdictions – need to scale funding with growing demand.

- **Opportunities:** Strong user base, ongoing transformation programme to optimise and strengthen the organisation.
- **Threats:** Geopolitical shifts, funding and technological opportunities and challenges.
- **Transformation programme:** A two-year programme including a simplification and streamlining of management structures and decision-making, a focus on reducing operating costs by £10 million by 2028 and a focus on revenue generation.

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

- **Board membership and composition:** It was noted that by 2028 the composition of each board will normally be 10 members and at all times no fewer than seven members. During this transition, the Trustees will aim to preserve diversity and expertise in stakeholder background. A consultation will be published in the first half of 2026 to address the consequential changes required from the reduction in the size of the boards. For example, the number of members from different regions will need to be adjusted to reflect the smaller boards and voting thresholds will also need to be recalibrated. The consultation will focus only on changes necessary as a result of reducing the board size, not on broader constitutional reforms.
- **Funding:**
 - **Broadening the contributor base:** A plan is being developed to actively engage jurisdictions that benefit from IFRS Standards but do not contribute financially. Support from IOSCO and the Monitoring Board is being leveraged. The goal is make funding more fairly distributed and sustainable.
 - **Donor fatigue:** There was a discussion around reluctance of certain companies to continue contributions to national funding mechanisms for the IFRS Foundation. The Foundation recognises challenges with voluntary contributions, noting the ambiguity around funding models and conflicting views on responsibility (state vs. corporate) contribute to this issue. Public budget cuts are seen as a greater threat than corporate fatigue. The Foundation is working to clarify the funding model and encourage fairer distribution.
 - **Funding independence:** Protecting the independence of the boards was discussed. It was emphasised that, while funding is concentrated, 40% of the Foundation's funding comes from earned revenue, reducing dependency. This funding model supports the Foundation's independence through having a mix of revenue streams, while ensuring that the two boards have a distinct and separate funding streams.
 - **Contingency planning for funding shortfalls:** It was questioned whether worst-case contingency scenarios had been considered for funding shortfalls. In response it was noted that the Foundation had recently completed a cost-saving programme, however further measures may prove to be necessary if revenue targets are not met. It was highlighted that the projected deficit for the IASB of £5m is relatively small compared to the acknowledged value provided by global standards. Noting that 140 countries use the Standards, but only approximately 40 contribute financially, it appeared very achievable that the deficit could be covered given doing so would only require each of the non-contributing countries providing £50,000 on average.
 - **Redesign of Corporate Champions Programme:** It was noted that this programme has been redesigned as a purely philanthropic initiative, with strict rules to ensure integrity and independence. Contributions continue, but there is no privileged access or influence on standard-setting for donors.
- **Streamlining decision-making:** It was emphasised that most changes related to this element of the transformation programme have focussed on internal process, aimed at optimising structures and resource allocation. Due process and stakeholder engagement remains unchanged.
- **Sustainability and the multilocation model:** A question was asked about the Foundation's approach to its own sustainability, how it is being communicated, and how the multi-location model

and stakeholder engagement are being managed, especially given funding constraints and ESG considerations. It was acknowledged that while the presentation had not directly addressed internal sustainability, there has been ongoing work, involving the input from both boards to define a target operating model for the medium term that guarantees organisational sustainability. The topic was also discussed at the recent trustee meeting.

Funding the IFRS Foundation and its boards

8. Mr. Madelain presented Agenda Paper 3 which set the scene for a discussion in breakout groups on four questions:
 - What are the key benefits arising from the use of IFRS Standards?
 - Who do these benefits impact the most?
 - Based on this, how do we ensure jurisdictions contribute to the costs of providing these benefits?
 - To what extent do you think that this could also be applied to jurisdictions that adopt ISSB Standards?
9. 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.
10. Key themes arising in the discussions included, but were not limited to:
 - **What are the key benefits arising from the use of IFRS Standards?**
 - **Global consistency and comparability:** IFRS Standards provide a consistent, globally recognised framework that enhances comparability across markets and sectors, benefiting a wide range of stakeholders including companies, investors, auditors, regulators, and tax authorities.
 - **Reduced complexity and cost:** Adoption of IFRS Standards reduce complexity, lowers the cost of capital, and supports cross-border investment. It acts as a “passport” into major markets, especially for non-US companies.
 - **Shared language:** The standards create a common accounting language, reducing friction in capital markets and facilitating easier access to capital.
 - **Trust and transparency:** IFRS Standards build trust among stakeholders by providing transparent disclosures, which is essential for investor confidence and financial stability.
 - **Who do these benefits impact the most?**
 - **Diffuse benefits:** There is no single dominant beneficiary; benefits are distributed among preparers, investors, stock exchanges, auditors, tax authorities, lenders, and policymakers. Benefits differ for different stakeholder groups.
 - **Investors:** IFRS Standards bring transparency, which builds trust – trust is essential for investor confidence and the flow of capital, including cross-border. Investors can invest in different countries by learning only one set of standards.
 - **Companies/preparers:** Global standards reduce reporting costs and facilitate easier access to capital for companies, enabling them to prosper

- **Regulators:** Standards provide efficiencies in supervision and enforcement.
- **Stock exchanges:** Benefit through investments and foreign listings.
- **Governments:** Reduce costs that would otherwise have to be invested in standard-setting.
- **'Free-rider' problem:** Many entities benefit from IFRS Standards without directly contributing to its funding. Public goods provided by private-sector organisations will always attract 'free-riders'
- **Based on this, how do we ensure jurisdictions contribute to the costs of providing these benefits?**
 - **Fair-share funding model:** Move toward a fair-share model, possibly via filing fees, license fees, or support levies. Levy models used in some regions (e.g., France) were noted as examples of shared responsibility. Smaller markets may benefit the most from the standards but have the shallowest pockets. May not be a one-size-fits-all for jurisdictions and therefore a fair-share funding model needs clear criteria.
 - **Consequences for not contributing:** If payment is required there needs to be a consequence of non-payment. However, removing rights to standards could have a negative impact on adoption.
 - **Mapping beneficiaries:** There is a need to map users and beneficiaries by jurisdiction to better target funding and awareness efforts.
 - **Demonstrating value:** There is a need to clearly articulate the value for money and efficiency of the Foundation's operations to justify contributions. Be clear about what would happen if the IFRS Foundation wasn't there to deliver standards eg. governments would have to do standard-setting. No one wants to return to local standards.
 - **Awareness campaigns:** Many companies are unaware that IFRS Standards are funded by a foundation, underscoring the need for better communication and advocacy.
 - **Greater transparency and demonstrating value for money:** The Foundation needs to demonstrate that it uses resources efficiently. There is a need for greater transparency in both funding sources and cost allocations, including segment reporting by board.
 - **Role of Advisory Council:** The Council can help by promoting the benefits of IFRS Standards and supporting the Foundation's messaging efforts, especially regarding the financial stability and economic growth enabled by common standards.
- **To what extent do you think that these strategies could also be applied to jurisdictions that adopt ISSB Standards?**
 - **Different strategies for different stages of development:** The ISSB is at an earlier stage of development compared to the IASB, so funding strategies may need to differ, with a focus on building adoption before charging fees.
 - **Potential risks:** There are concerns about the influence of certain markets and the need to avoid repeating funding challenges faced by the IASB.

- **Other comments and opportunities or challenges:**

- **Transition Issues:** Moving from a concentrated contributor system to a fair-share system is complex and may require careful calibration based on GDP, market cap, or other logical models.
- **Separation of boards, independence and transparency:** Maintaining separate funding streams and operational independence for the IASB and ISSB is seen as important, given their different stages of development and stakeholder bases.

Update on the IASB's Activities

11. Mr. Andreas Barckow, Chair of the IASB, presented Agenda Paper 4, providing an update on the IASB's activities. In particular, Mr. Barckow commented on:

- the IASB's activities in a changing landscape and related opportunities and uncertainties;
- the IASB's work plan, focussing on the projects on Intangible Assets and Statement of Cash Flows and Related Matters; and
- potential projects to add to the IASB's work plan, considering resource availability and stakeholder priorities.

12. The ensuing discussion among Council members focused on several topics, including:

- **Agenda Consultation—concurrent approach, selection of projects:** Some Council members asked about the decision to hold concurrent agenda consultations with the ISSB, the rationale, and how feedback would be harmonised across both Boards. Some Council members asked how the IASB would prioritise new projects (operating segments, pollutant pricing mechanisms, hyperinflation, crypto assets) during the extended agenda cycle, and how stakeholder feedback would be incorporated. Other Council members raised questions about elevating management commentary to a Standard and considering anti-money laundering (AML) and counterterrorism financing (CTF) as future projects. One member observed that communications about work that can be undertaken should be made in the context of constrained resources and the funding gap.

Mr. Barckow clarified that the concurrent consultations would enable stakeholders to easily consider each board's work plan at the same time and provide holistic feedback about the priority of possible joint work in relation to each board's independent work plan. The IFRS Foundation would consider feedback together, but decisions about which projects to undertake would be made by each independent board. Mr. Barckow explained that project selection will be based on market relevance and resource availability. Stakeholder feedback remains central to decision-making.

- **Intangible Assets project—scope, disclosure and timeline:** Many Council members raised points about the scope of the Intangible Assets project, disclosure requirements, relevance to sustainability reporting, and whether crypto assets should be included in the project's scope.

Mr. Barckow explained the phased approach, starting with understanding user needs and test cases (cloud computing, agile development) and stressed that disclosure improvements would be considered after root problems are identified. The project is long-term, likely extending beyond Mr. Barckow's tenure as the chair of the IASB. Collaboration with national standard-setters is welcomed.

- **Equity Method project—stakeholder concerns and IASB’s approach:** Some Council members discussed concerns about recognition of unrealised gains, measurement basis, and the need for further outreach and research.

Mr. Barckow acknowledged concerns the Council members shared and emphasised the IASB’s commitment to understanding stakeholders’ concerns and conducting further outreach. The Board aims to balance consistency with practical improvements, without abandoning the equity method entirely.

- **Funding and governance—SEC comments and transparency:** Several Council members asked about the SEC’s comments on funding and governance, their impact on the IASB’s work, and plans to address uncertainty and anxiety among stakeholders.

Mr. Barckow noted that the IFRS Foundation maintains close dialogue with its leadership. He reiterated that the boards operate independently and are funded separately. He noted that the IASB has always focused on providing investors with financially material information.

Mr. Barckow also provided an update on the IASB’s project on disclosure about uncertainties in the financial statements. The IASB has developed illustrations using climate scenarios as examples, but the project is intended to improve disclosures about uncertainties in general. The project has completed due process and is expected to be issued in final by the end of the year.

Update on the ISSB’s Activities

13. Ms. Sue Lloyd, Vice-Chair of the ISSB, presented Agenda Paper 5 to the Advisory Council. The paper outlined developments in the ISSB’s activities since the previous meeting of the Council. The update included the launch of the first set of jurisdictional profiles providing transparency on progress on adoption of ISSB Standards, activities to support the implementation of IFRS S1 and IFRS S2, work on the interoperability of ISSB Standards with other standards and progress on the research projects on the ISSB work plan.
14. The session’s discussion among Council members was focused on several topics, including:
 - relationship between the consultation to enhance the SASB Standards and the ISSB research projects on nature and human capital;
 - voluntary use of ISSB Standards;
 - use of ISSB Standards by Council members’ jurisdictions (for example, Japan) and organisations (for example, Basel Committee on Banking Supervision);
 - progress on implementation of IFRS S1 and IFRS S2, including reliability and accuracy of data, measurement of Scope 3 GHG emissions and disclosure of information about water;
 - use of the equivalent IFRS S2 disclosures for Scope 1, Scope 2 and Scope 3 GHG emissions to meet GRI 102 requirements; and
 - EU Omnibus timelines and opportunities for efficient reporting.

Strategies to promote market readiness and deliver high-quality and consistent application of ISSB Standards

15. Mark Manning, Regulatory Affairs Specialist – ISSB Engagement Team, presented Agenda Paper 6 and invited Council members' feedback on the following questions:

- **Initiatives to advance readiness:**
 - What current initiatives are most effective for advancing market readiness beyond past practices of sustainability reporting?
 - What types of initiatives do members believe can be most impactful to advance market readiness?
- **Focus areas for advancing market readiness:** Which dimensions and areas of readiness should the IFRS Foundation focus on?
- **Advisory Council members' current activities to advance readiness:** How are Advisory Council members currently supporting – or open to supporting – market readiness within a jurisdiction or among a professional community?
- **Potential partners:** Which organisations or partners should the IFRS Foundation work with to enhance market readiness?

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

- **Initiatives to advance readiness:**
 - **Clear strategic messaging:** Emphasising the benefits of ISSB Standards as a strategic tool for managing risks and opportunities, not just as a compliance exercise. Messaging should reinforce that the standards are “here to stay” and highlight their value for business strategy.
 - **Quality educational materials:** Providing high-quality, accessible materials, and sector-specific use cases to help preparers understand and implement the standards. Preparers should be able to access easily the information and tools needed to develop their disclosures, including through the IFRS Foundation website.
 - **Peer to peer learning and early-adopter support:** Facilitating peer-to-peer learning, sharing of best practices, and supporting early or partial adopters with practical tools, case studies and examples.
 - **Mobilising the investor voice:** Engaging investors to articulate the value of sustainability information and support the adoption of ISSB Standards.
 - **Engaging with non-technicians:** underscoring the strategic value of ISSB Standards by engaging with non-technicians, such as C-suite, non-executive board members and investor relations professionals.
 - **Academic engagement:** Encouraging academia to produce evidence on the benefits of sustainability reporting and to help educate both preparers and users.
- **Focus areas for advancing market readiness:**
 - **High-quality standards:** The Foundation should prioritise the development and maintenance of high-quality standards, letting the product “speak for itself”.

- **Brand protection and strategic positioning:** Protecting the IFRS brand and promoting ISSB Standards as a strategic management tool, not just a compliance requirement.
- **Education and capacity building:** Focusing on education for both preparers and users (investors, regulators), including supporting the development of regional and sector-specific materials, and supporting first-time preparers.
- **Digitalisation and interoperability:** Efforts to harmonise standards with other frameworks, enable passporting, and digitalise reporting (e.g., XBRL, standardised data formats) are seen as critical for comparability and consistency.
- **Advisory Council members' current activities to advance readiness:**
 - **Guidance and capacity building:** Members are engaged in providing guidance, conducting gap analyses, and building capacity through training and presentations, often tailored to regional or sector-specific needs.
 - **Education and advocacy:** Council members help with education (e.g., Council of Institutional Investors for Investor Education), act as champions for ISSB Standards, and disseminate information about training programmes.
 - **Outreach and engagement:** Members participate in symposiums, conferences, and co-host ISSB outreach activities to raise awareness and build readiness.
 - **Regional support networks:** Some members are involved in networks that support new adopters, such as advanced jurisdictions helping emerging ones.
- **Potential partners:**
 - **International Organisations:** World Bank-led networks, IOSCO's network of emerging market regulators, and multilateral development banks.
 - **Investor groups:** The IFRS Foundation's International Investor Advisory Group and business forums for C-suite and board engagement.
 - **Professional bodies:** IFAC and its global network of members, which have extensive reach and authority.
 - **Universities and academia:** For education, research, and development of regionally relevant materials and case studies.
 - **Industry and director associations:** Corporate director associations and industry associations for outreach to decision makers and sector-specific guidance.
 - **Integrated Reporting communities:** To leverage existing expertise and networks in sustainability and integrated reporting.

Closing remarks from the Advisory Council Chair

17. 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 the advice they provided during the discussions.

-
18. Ms. Kelsall noted the following people were leaving the Council at the end of 2025 or had left since the last meeting in April 2025, and thanked them for their contributions:
- Demet Akmaz Tercan, Capital Markets Board of Türkiye
 - Gary Berchowitz, PwC
 - Martijn Bos, Eumedion
 - Neil Esho, Basel Committee on Banking Supervision
 - Nathan Fabian, Principles for Responsible Investment
 - Isabelle Grauer-Gaynor, European Securities and Markets Authority
 - Udi Greenburg, BDO
 - David Grünberger, European Central Bank=
 - Leslie Hodder, International Association for Accounting Education and Research
 - Feng Liu, Xiamen University
 - Jesus Lopez Zaballo, European Federation of Financial Analysts Societies
 - Marcos Mancini, UN Development Programme
 - Emma Millar, Investment Association
 - Romain Paserot, International Association of Insurance Supervisors
 - Greig Patterson, Corporate Reporting Users' Forum
 - Osman Sattar, S&P Global Ratings
 - Bob Saum, World Bank
 - Martin Schloemer, Bayer
 - Aiko Sekine, Japanese Institute of Certified Public Accountants
 - Bee Leng Tan, Malaysian Accounting Standards Board
 - Anna Vidal Tuneu, European Insurance and Reinsurance Federation/ Insurance Europe
19. It was confirmed that the Council would next meet in person in London on Tuesday 14 and Wednesday 15 April 2026.