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## IFRS Foundation Trustees—Due Process Oversight Committee

Date **21 October 2025**

This document reports on a meeting of the Trustees of the IFRS Foundation, the oversight body of the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB). The Trustees are responsible for governance of the IFRS Foundation (the Foundation) and for delivery of the Foundation's objectives as set out in the *Constitution*.

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## Introduction

1.1 The IFRS Foundation Due Process Oversight Committee (DPOC) [met virtually on 21 October 2025](#). The meeting was webcast live and a recording of the meeting is available on the [IFRS Foundation website](#).

## International Accounting Standards Board (IASB)-related matters

### Update report on IASB Technical Activities

2.1 The DPOC considered a report providing an update on the activities of the IASB and the IFRS Interpretations Committee for the period from June 2025 to September 2025. There were no matters in the report for which the DPOC was required to confirm that due process had been followed.

2.2 The IASB Executive Technical Director explained that:

- in June 2025, the IASB moved its Amortised Cost Measurement project from the research programme to the standard-setting programme, having concluded that it has sufficient information from previous post-implementation reviews and additional outreach. As per paragraph 5.5 of the *Due Process Handbook*, this allows the Board to proceed directly to an exposure draft without first publishing a discussion paper.
- in September 2025, the IASB decided to defer its Fourth Agenda Consultation until 2027 to align with the ISSB's agenda consultation. This deferral is intended to reduce the consultation burden on those stakeholders with interests in both accounting and sustainability disclosure Standards.
- the Standard related to the Rate-regulated Activities project is progressing and will now be published in Q2 2026. The additional time before issuance will be used to further clarify the drafting and allow for further engagement with stakeholders to support implementation.
- a near-final staff draft of the *Disclosures about Uncertainties in the Financial Statements Illustrated using Climate-related Examples* had been published in July 2025. Publishing a near-final draft is intended to give stakeholders early sight of the examples and allow them to consider the implications for their financial reporting. The examples use climate-related uncertainties to illustrate the principles, but the basis for conclusions emphasises that the examples can be analogised to other types of uncertainties.

2.3 In response to DPOC member questions and comments the IASB leadership provided the following responses:

- Updates to the IFRS Accounting Taxonomy are now consolidated in a single annual consultation document to reduce the consultation burden on stakeholders, with provision for any urgent update to be addressed on an ad-hoc basis.
- the Business Combinations project's overall direction is yet to be determined. The IASB is assessing the various parts of the project which then will be considered holistically.

- the *Disclosures about Uncertainties in the Financial Statements using Climate-related Examples* do not have an effective date, as they are illustrative materials rather than new requirements.
- the IASB staff is communicating regularly with stakeholders to explain the reasons for the deferral of the Fourth Agenda Consultation and to address any concerns regarding the timing.

2.4 A Committee Member thought that the extended comment period for the Dynamic Risk Management project would be welcomed by stakeholders. The Executive Technical Director agreed and said that due to the complexity of the model, the 240-day comment period allowed for deeper engagement with stakeholders.

## Annual reports on IASB and IFRS Interpretations Committee activities

### **Consultative groups**

3.1 The DPOC considered the staff's annual review, as required by the *Due Process Handbook*, of the IFRS Foundation's consultative groups supporting the IASB for the year ended 30 September 2025.

3.2 The staff reported its conclusion that all currently active consultative groups are serving the function for which they were established. The review had drawn on an analysis of data gathered from surveys of the group members and IASB and staff members and discussions with IASB members. On behalf of the IASB, the Executive Technical Director expressed appreciation to all consultative group members for their voluntary contributions and valuable input.

### **Annual reporting protocol**

3.3 The DPOC considered a report for the year ended 30 September 2025 confirming that all comment letters with respect to IASB and Interpretations Committee consultations were posted on the Foundation website; all agenda papers distributed to IASB or Interpretations Committee members for their public meetings were made available to observers; and regular dialogue had been maintained with securities regulators and prudential supervisors.

### **Educational material—review of due process**

3.4 The DPOC considered a report as required by the *Due Process Handbook* on educational material published by the Foundation to support the consistent application of IFRS Accounting Standards in the year to 30 September 2025.

### **Resolution**

3.5 The Committee noted the annual reports submitted and confirmed that the educational material had been appropriately reviewed as specified by the *Due Process Handbook*.

## International Sustainability Standards Board (ISSB)-related matters

### Update report on ISSB Technical Activities

4.1 The DPOC considered a report providing an update on the activities of the ISSB for the period from June 2025 to September 2025. There were no matters in the report for which the DPOC was required to confirm that due process had been followed.

4.2 The ISSB Executive Technical Director highlighted:

- the ISSB continues to engage with stakeholders to identify where educational material might be needed to support the implementation of IFRS S1 and IFRS S2. Material is currently being developed to support stakeholders in their understanding of the requirements in IFRS S2 related to providing information about climate resilience and climate-related scenario analysis.

- the research projects relating to nature and human capital are progressing. At its meeting in October 2025, the ISSB evaluated whether the Taskforce on Nature-related Financial Disclosures (TNFD) framework could provide a feasible approach to meeting common investor information needs about nature-related risks and opportunities.
- the Exposure Draft *Proposed amendments to the SASB Standards* was published in July 2025, covering nine prioritised industries. This Exposure Draft has a comment period of 150 days which is longer than the typical 120-day comment period in response to stakeholder comments prior to publication about the size of the exposure draft and translation needs. An exposure draft is also planned for publication in the next few months setting out proposed amendments to three additional prioritised industries.
- In July 2025 the ISSB discussed the timeline for its next agenda consultation and decided to publish a request for information in 2027, aligning with the timing of the IASB's request for information.

4.3 In response to DPOC member questions the following responses were given:

- the research projects are being conducted in accordance with the process set out in the *Due Process Handbook*. A key consideration is assessing the necessity and feasibility of standard-setting and whether the benefits would outweigh the costs. Fundamentally the ISSB is assessing what additional standard-setting is needed to the requirements set out in IFRS S1 based on the needs of investors.
- educational material published after the publication of the Exposure Draft *Proposed amendments to the SASB Standards* is intended to clarify the role of the SASB Standards when applying IFRS S1, namely as a source of industry-based guidance rather than mandatory requirements.
- the planned exposure draft for the three additional prioritised industries relates to industries that were initially part of a set of 12, but were separated to allow for further analysis of their diverse value chains. The consultation process for this exposure draft will mirror that used for the exposure draft published in July 2025.
- the ISSB decided to finalise the proposed amendments to IFRS S2 without re-exposing the changes given that the changes were responsive to stakeholder feedback and do not fundamentally change the amendments exposed. Two refinements included clarifying the scope of reliefs provided and replacing the requirement to use the GICS classification system with a more principles-based approach, allowing entities to use any industry classification system that enables investors to understand entities climate-related transition risks with a preference for commonly used systems.
- the ISSB encourages jurisdictions to consider how to introduce assurance for sustainability disclosure recognising the novelty of some of the information being disclosed.

## Annual reports on ISSB activities

### **Consultative groups**

5.1 The DPOC considered the annual review, as required by the *Due Process Handbook*, of the IFRS Foundation's consultative groups supporting the ISSB for the year ended 30 September 2025.

5.2 The ISSB had utilised all the consultative groups except for the Transition Implementation Group (TIG) which last met in September 2024. The frequency of TIG meetings is dependent on stakeholder submissions; no questions meeting the TIG criteria were received until August 2025. As a result, a TIG meeting is scheduled for November 2025. The staff reported its conclusion that all currently active consultative groups are serving the function for which they were established. The review had drawn on objective data highlighted in the report and data drawn from discussions or surveys, and from relevant ISSB and staff members. The

Executive Technical Director also noted that the operation and use of consultative groups are regularly evaluated and, where possible, further developed to enhance their effectiveness.

***Annual reporting protocol***

5.3 The DPOC considered a report for the year to 30 September 2025 confirming that all comment letters with respect to ISSB consultations were posted on the Foundation website; all agenda papers distributed to ISSB members for their public meetings were made available to observers; and regular dialogue had been maintained with securities regulators and prudential supervisors.

***Educational material—review of due process***

5.4 The DPOC considered a report as required by the *Due Process Handbook* on the educational material published by the Foundation to support the consistent application of IFRS Sustainability Disclosure Standards in the year to 30 September 2025. The ISSB Executive Technical Director highlighted some recent examples of educational materials published.

**Resolution**

5.5 The Committee noted the paper and confirmed that the educational material had been appropriately reviewed as specified by the *Due Process Handbook*.

**Other matters**

6.1 The Committee received an oral update from the Director of Governance and Trustee Activities on the progress towards publishing the finalised version of the *Due Process Handbook*. It was explained that the intended publication date for the *Due Process Handbook* was now scheduled for the end of Q1 2026.

6.2 The Chair placed on record the Committee's thanks to the outgoing IASB Executive Technical Director, Nili Shah, for her dedicated service to the Foundation and for her clear and effective explanations to the Committee regarding the IASB's adherence to due process requirements.

**Closing**

7.1 The DPOC Chair thanked all for their participation.