
IFRS Advisory Council

Date **14–15 April 2026**
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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.

AC2 Welcome and introductions

1. The IFRS Advisory Council (Council) met in person on 14 and 15 April 2026. The meeting was attended by the Chair and Vice-Chair of the International Accounting Standards Board (IASB), one of the Vice-Chairs of the International Sustainability Standards Board (ISSB), some IASB members, an ISSB member, an IFRS Foundation Trustee and several IFRS Foundation staff.
2. The agenda and papers for the meeting, and the meeting recording, are available on IFRS Foundation's website.
3. The Advisory Council Chair welcomed members to the meeting. The Chair explained that the Council's role is to provide strategic advice Foundation Trustees and boards.
4. There were no comments or questions on papers AC2A, AC2B and AC2C.
5. The Chair relayed a comment by a Council member who asked if the Council were able to conduct hybrid meetings. The Chair asked members if there was appetite for Council meetings to be hybrid, and all members supported in person meetings.

Resolution

6. The Council noted the summary and updates since the last meeting as well as its revised terms of reference.
7. The Council supported the continuance of in person meetings.

AC3 Update on Foundation and Trustee activities

8. The Managing Director provided an update on Trustee activities and the Foundation operating environment since the Council last met in November 2025. In particular, he focused on:
 - shifting policy priorities. These shifting priorities, in a number of jurisdictions, were reinforced through world events.
 - the critical nature of the markets infrastructure that is provided by both boards.
 - the Foundation's annual report was published at the start of this month with a focus on greater transparency, including the source and uses of funds by the two boards in response to increased

stakeholder interest. In 2026 the IASB still shows a structural deficit while the ISSB have benefited from seed funding that needs to be refinanced in 2026. The Foundation's objective is that both boards maintain a balanced level of income and expenditure. This requires a focus on cost management and the active development of new sources of revenues.

- the Trustee's Nomination Committee is proceeding to complete the selection of candidates for both the Chair of the IASB and the Foundation's Managing Director as the term of their mandates completes later this year. The Nomination Committee are assisted in its search and selection by an external recruitment agency.

Resolution

9. The Advisory Council noted the updated.

AC4 Update on the IASB's Activities

10. The Chair of the IASB, presented AC4, providing an update on the IASB's activities. In particular, The Chair of the IASB commented on:
 - recent progress in delivering the IASB's work plan;
 - the IASB's strategic priorities and horizon scanning;
 - forthcoming standards and amendments, including projects nearing completion, targeted amendments related to IFRS 18, and ongoing consultations;
 - the IASB's prioritisation framework used to add or activate projects, balancing technical pervasiveness with external and internal capacity constraints; and
 - the use of technology and AI within the Foundation, highlighting internal use cases, limitations and risks of current AI capabilities, and the need for continued human judgement.
11. The ensuing discussion among Council members focused on several topics, including:
 - **Impact of AI on standard-setting, reporting, and stakeholders' behaviour**—substantial portion of the discussion centred on artificial intelligence. Council members queried both the IASB's internal use of AI and its growing use by preparers and constituents, including risks such as using AI to create comment letters and loss of contextual understanding by users. The Chair of the IASB acknowledged that AI can enhance efficiency, particularly in regard to structured data, it is not a substitute for human judgement. He emphasised that comment letters are assessed on the quality of arguments rather than volume, that AI currently complements rather than replaces tools such as taxonomies, and that the Board is actively engaging with auditors, preparers, and experts to understand practical AI use while monitoring developments closely.

- **Connections between financial reporting and sustainability-related disclosures, including coordination with the ISSB**—some Council members discussed connections between financial and sustainability reporting welcoming illustrative examples on climate-related uncertainties and asking about follow-up and effective implementation. The Chair of the IASB stressed that while the IASB does not have an enforcement role, it works closely with the broader ecosystem - including regulators, auditors, and the ISSB to promote consistent application. He underlined that connections are framed around consistency, coherence, and linkage rather than creating new requirements, with Management Commentary playing a key role in articulating these connections.
- **Project-specific matters**—one Council member expressed concern about the scope and process of the Equity Method project. The Chair of the IASB noted divergent views across jurisdictions, confirmed that additional outreach had been undertaken, and explained that decisions would follow further analysis of feedback. Questions were also raised on IFRS for SMEs, including funding, visibility of application quality, and alignment between costs and users. The Chair of the IASB explained that while the standard is widely used, visibility into consistent application is limited and largely relies on engagement with local experts and advisory groups. He noted that some multilateral funding supports this work, though resources remain modest.
- **Use of IFRS in separate financial statements and associated political or jurisdictional risks**—one Council member raised concerns about renewed interest in using IFRS for separate financial statements, particularly where such statements influence dividends, taxation, or creditor protection. The Chair of the IASB responded that this area sits primarily within jurisdictional decision-making and is not part of the IASB's core remit, stressing the Board's intention to avoid being drawn into taxation or distribution debates while maintaining focus on information for global investors.
- **Funding, inclusiveness of standards, and cooperation with other international and regional bodies**—several Council members discussed funding, inclusiveness of the IFRS Accounting Standards, and global adoption, with suggestions that broader inclusiveness could support financial sustainability. The Chair of the IASB cautioned against linking standard-setting outcomes to funding considerations, emphasising the need to preserve independence and comparability, even where this requires difficult trade-offs across jurisdictions. He also confirmed continued efforts to leverage partnerships and multiplier outreach through regional and professional bodies to maximise impact with limited resources.

Resolution

12. The Advisory Council noted the update.

AC5 Update report on ISSB Activities

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13. Sue Lloyd, Vice-Chair of the ISSB, presented ACC5 to the Advisory Council. The paper outlined developments in the ISSB's activities since the previous meeting of the Council regarding adoption of ISSB Standards, implementation of IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures* and ISSB's work on nature and human capital to build out the global baseline of sustainability-related disclosures.
14. The session's discussion among Council members was focused on several topics, including:
- progress on the adoption of ISSB Standards and assessment of the impact of this adoption;
 - interoperability between ESRS and ISSB Standards and intention to move beyond the ESRS–ISSB Standards Interoperability Guidance;
 - collaboration with the GHG Protocol and measures in place to manage the risk related to references to third-party materials;
 - relationship with the Taskforce on Nature-related Financial Disclosures (TNFD) for the ISSB's work on nature-related disclosures;
 - stakeholder engagement in connection with the enhancement of the SASB Standards;
 - ISSB's work in relation to investor demand for improved and comparable disclosures about human capital-related risks and opportunities;
 - role of the Jurisdictional Adopters Working Group; and
 - challenges in implementing IFRS S1 and IFRS S2, including challenges for small and medium-sized entities, and support provided.

Resolution

15. The Advisory Council noted the update.

AC7 ISSB Standards as the global passport

16. The Director of Regulatory Policy for ISSB Engagement, presented AC7 on ISSB Standards as the global passport, which outlines the concept of passporting as a known regulatory tool. ISSB Passporting can address emerging cross-border challenges and serve as a bridge towards the establishment of the global baseline of ISSB Standards. By granting an option to comply with domestic disclosure requirements by using ISSB Standards as issued by the ISSB as the global passport and a widely understood basis of reporting, jurisdictional authorities can help reduce cross-border fragmentation and reporting burden for multinational entities while enhancing comparability of sustainability-related disclosures for investors across markets.
17. Council members were invited to share their perspectives on how to address cross-border challenges and provide insight on the clarity and relevance of the ISSB's narrative about the benefits of ISSB

Passporting. They were also invited to provide advice on engagement priorities for the ISSB with regulators, investors, companies and market leaders to advance discussion about this topic.

18. Observations made in the ensuing discussion with Council members included:

- The topic of comparability and consistency in sustainability-related disclosure requirements across jurisdictions, including ISSB Passporting to reduce fragmentation, is important for market participants and other stakeholders in the sustainability reporting ecosystem. There was broad acknowledgement of the need to address emerging fragmentation, with several Council members supporting the ISSB advancing the discussion on ISSB Passporting, strengthening its engagement and facilitating discussions between stakeholders and jurisdictional authorities.
- The simplification and efficiency offered by ISSB Passporting is particularly important for companies subject to disclosure requirements in multiple jurisdictions. In addition to the benefits of streamlining reporting and reducing reporting cost, the quality of disclosures can be enhanced through strong internal processes and controls that meet a consistent set of standards across a multinational company's operations.
- ISSB Passporting can contribute to investors' ability to better understand and compare disclosures across jurisdictions, as statements of compliance with ISSB Standards provide clarity about the completeness of the information that should be expected in disclosures. The completeness of material information facilitates assessment and use of data. The messaging to investors about passporting would be more relevant if focused specifically on the benefits to them.
- In addition to consistency in disclosure requirements at the global level, some Council members emphasised that it also is important to continue to monitor that the actual implementation of ISSB Standards complies with the Standards. It was also observed that, as requirements become effective in jurisdictions, academic research on use in practice will help demonstrate the benefits of consistent standards.
- Use of the global baseline on a widespread basis across jurisdictions also would strengthen the sustainability reporting ecosystem that contributes to quality and efficiency. Examples included assurance and access to and mobility of professional talent that is proficient with ISSB Standards.
- While decision making on ISSB Passporting rests with jurisdictional authorities, engagement between authorities and a broad range of market participants (investors, preparers, accountancy firms) could help identify practical challenges, benefits and solutions.

Resolution

19. The Advisory Council noted the update on ISSB Passporting.

AC8 Legacy of the Integrated Reporting and Connectivity Council

20. Jonathan Labrey, Chief Connectivity and Integrated Reporting Officer, and Charles Tilley, current Chair of the Integrated Reporting and Connectivity Council (IRCC), presented [agenda paper AC8](#) which provides information on the Foundation Trustees decision to transfer the mandate of the IRCC to the IFRS Advisory Council, effective upon the conclusion of the IRCC's term on 31 July 2026. The following was highlighted:
- The transition represents the successful completion of the IRCC's mission. Integrated reporting is no longer a separate initiative but is now permanently embedded within the Foundation's core operations as 'business as usual.' The embedding of integrated reporting with the Foundation aligns with its aim of reducing fragmentation in corporate reporting.
 - The revised terms of reference for the Advisory Council would allow the Foundation to consider strategic advice from one body on its assets which now included the Integrated Reporting Framework.
 - The Foundation remains committed to maintaining high-level integrated reporting expertise within its governance. Current IRCC Chair of the IRRC and one other IRCC member will join the Advisory Council. Currently four existing Advisory Council members also served on the IRCC. Further information as how this expertise has embedded within the Foundation is set out in paragraph 6 of the paper AC8.
 - Since the IRCC became part of the Foundation in 2022 following its consolidation with the Value Reporting Foundation (VRF) it has advised on a number of projects. This includes the IASB's IFRS Practice Statement 1 *Management Commentary* referred to as its revised Practice Statement. It has also developed a number of tools including a mapping tool showing how the Integrated Reporting Framework's related to disclosure requirements in IFRS S1 and IFRS S2. The purpose of such tools is to help companies understand the connections between IFRS Standards and the Integrated Reporting Framework.
 - It was noted that since 2022 adoption of integrated reporting had grown by around 20%.
21. The ensuing discussion among Council members focused on several topics, including:
- Several members commented that in some jurisdictions sustainability reporting has become the immediate priority because of new reporting requirements and queried whether integrated reporting is still needed as a distinct concept, or whether the main focus should now be on connectivity. Others saw confusion in some parts of the market as some stakeholders used integrated reporting interchangeably with sustainability reporting.

- A few members discussed the diversity in application of the Integrated Reporting Framework and the practical implications of regulation. Some members with a European focus thought that integrated reporting had been made more difficult due to the current regulatory agenda.
- Overall, the Advisory Council members welcomed the transition of the Integrated Reporting Framework to a more permanent arrangement within the Foundation and welcomed the opportunity to provide strategic advice to the Foundation's Trustees on the Framework.

Resolution

22. The Advisory Council noted the update.

Summary remarks from the Advisory Council Chair

23. The Advisory Council Chair 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.
24. It was confirmed that the Advisory Council would next meet in person in London on Tuesday 3 and Wednesday 4 November 2026.