IFRS Foundation

Meeting summary

IFRS Foundation Trustees—Due Process Oversight Committee

Date **10 June 2026**

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.

Introduction

1.1 The Chair began the meeting with a Land Acknowledgement formally thanking the Kanien'kehá:ka Nation, acknowledging that the meeting was being conducted on unceded Indigenous lands.

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 February 2026 to May 2026. 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 Senior Technical Director explained that:

- since February 2026, the IASB had published three due process documents which are listed in Appendix B to Agenda Paper DP2.
- the comment period for the Risk Mitigation Accounting Exposure Draft published in December 2025 had been extended to 30 November 2026. This is in response to stakeholder engagement (such as discussions with Accounting Standards Advisory Forum and the Financial Instruments Consultative Group) and is intended to provide stakeholders with time to consider the proposed new model, identify possible concerns and participate in detailed fieldwork.
- the IASB tentatively agreed by a narrow majority on a package of disclosures in its project Business Combinations—Disclosures, Goodwill and Impairment. The disclosures aim to provide users of financial statements with more useful information, at a reasonable cost, about an entity's business combinations. The IASB will consider at a future meeting whether further revisions to the package could be made to resolve some Board members' concerns.
- the Interpretations Committee is considering a number of questions on IFRS 18 *Presentation and Disclosure in Financial Statements*, and the Committee will meet next week, after which it will publish tentative agenda decisions for a 60-day comment period.

2.3 In response to DPOC member questions on the project Business Combinations—Disclosures, Goodwill and Impairment, the IASB leadership gave the following responses:

- this project would not converge with a comparable FASB project as the proposals in the Exposure Draft concern disclosures which would be within the remit of the US SEC. The US SEC is monitoring the project and has been urged by some of its stakeholders to consider adopting similar disclosures.
- finalising the proposals would require support of a supermajority of the IASB. The three Board members with an investor background were part of the significant minority who voted against the proposals. This was because the information being asked for was limited in its scope and the safeguards around disclosure could make it unlikely that entities would disclose pertinent information. This led to their conclusion that the costs would outweigh the benefits. The IASB will consider at a

future meeting further revisions to the package. There were other parts of proposals that were uncontested and not part of this particular decision.

Activities to support implementation for IFRS 20

3.1 The DPOC considered a report about the implementation support plans for IFRS 20 *Regulatory Assets and Regulatory Liabilities,* which was published on 27 May 2026 and has an effective date of 1 January 2029.

3.2 IASB Technical staff highlighted that implementation support for the Standard would be facilitated in the following ways:

- the early post-publication period will focus on helping stakeholders understand the main requirements and identifying any implementation questions. There will also be targeted outreach with stakeholders.
- mid post-publication will shift to monitoring implementation through targeted outreach events, and assessing whether any material to support consistent application is needed.
- late post-publication the IASB is not planning specific support activities, mainly to avoid disrupting implementation work already under way. However, the staff will remain responsive if issues emerge.

3.3 The staff also explained that the IASB had considered whether to form a Transition Resource Group (TRG) but had concluded a TRG is not needed:

- other implementation support activities together with the application guidance and the wide range of Illustrative Examples in IFRS 20 will give stakeholders sufficient support to address implementation questions.
- a TRG would be ill-suited to address the nature of questions expected to arise, as these are likely to be around the application of judgement in the context of specific terms of a regulatory agreement.
- the level of complexity in IFRS 20 is lower, and its effects are less pervasive compared to other IFRS Accounting Standards for which a TRG was formed.

3.4 A Trustee welcomed how clearly the proposed support mechanism had been set out by the IASB Technical staff.

3.5 In response to a DPOC member comment, IASB staff highlighted that they would proactively engage with stakeholders. For example, staff planned to offer support to national standard-setters for implementation activities being undertaken with local stakeholders.

3.6 DPOC members welcomed the implementation support strategy and emphasised the importance of maintaining flexibility and close engagement with stakeholders throughout the implementation period.

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 February 2026 to May 2026. There were no matters in the report for which the DPOC was required to confirm that due process had been followed.

4.2 One ISSB Executive Technical Director highlighted that:

- the ISSB is supporting the implementation of IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures* through:

- the continued development of material to support consistent application.

- convening the Transition Implementation Group (TIG). The TIG last met in March to discuss a question related to GHG emissions. The ISSB continues to emphasise to stakeholders that the TIG continues to serve its purpose in supporting and addressing implementation questions related to IFRS S1 and IFRS S2.

- significant progress has been made on both the Nature-related Disclosures and the Human Capital projects:

  - the project on nature has been moved to the standard-setting phase and the ISSB is aiming to publish an Exposure Draft in H2 2026. The Board decided that the project would be delivered as a practice statement. A practice statement is a prominent part of the IFRS literature and is non-mandatory when asserting compliance with IFRS Standards. The ISSB will consult on the form of standard-setting in the Exposure Draft.

  - staff continue to undertake research on the human capital project and engage with stakeholders to refine the ISSB's understanding of the needs of investors while also taking into account the costs of preparing the information. This research also informs the project to enhance the SASB Standards, which contain human-capital-related disclosure requirements.

- the ISSB continues to work on its project to enhance the SASB Standards. The first consultation, in 2025, was to enhance nine SASB Standards. In March 2026 the second consultation was launched to enhance three additional SASB Standards. and the consultation is open for comment until 24 July 2026. This second Exposure Draft is substantially reduced in size compared to the first and is due to consultation focusing on three industries rather than nine and does not include proposed targeted amendments to other SASB Standards beyond those mentioned in the Exposure Draft.

4.3 In response to DPOC member questions the ISSB leadership commented that:

- the ISSB was currently further advanced regarding its project on Nature-related Disclosures than it was on Human Capital. Progress on the former had been supported by the opportunity to reduce fragmentation in nature-related disclosures through alignment with work previously undertaken by the Taskforce on Nature-related Financial Disclosures (TNFD), whose framework provides a well-developed starting point for standard-setting. The Human Capital project continues to progress and there is significant interest from investors about information on human capital-related risks and opportunities. In particular, investors are interested in how entities manage their human capital, both internally and across their supply chains, and how those activities connect to overall business strategy. ISSB Technical staff is currently preparing recommendations on how to simplify disclosures in this area given that there is already a significant amount of literature on this topic. The ISSB is keen to progress the project on Human Capital particularly as it complements requirements in IFRS S1 and the SASB Standards.

- the form of standard-setting chosen by the ISSB for the Nature-related Disclosures project will involve educating stakeholders about the non-mandatory nature of a practice statement; to assert compliance with the ISSB Standards an entity does not need to apply the practice statement. The non-mandatory status of the document balances the need to reduce fragmentation of nature-related disclosures in the market with the need to minimise disruption in the implementation of IFRS S1 and IFRS S2.

- The practice statement will be, to a large extent, structured like an IFRS Standard. Other similarities include:

  - having an identical due process, for example, there will be an exposure draft for public comments; and

  - if an entity asserts full compliance with the practice statement it needs to apply it completely.

- If the ISSB receives a diversity of views on the Exposure Draft for Nature-related Disclosures then it will carefully and transparently consider all feedback and then assess whether to proceed with the form as proposed, or pivot to an alternative.

- The ISSB's intention is to develop a practice statement that an entity can use to determine how to consider nature in preparing disclosures when applying IFRS S1 and IFRS S2. The IASB has issued two practice statements, one on materiality and the other concerning management commentary. The first provides additional information to an existing concept and the second, if used, forms a report that is separate from the financial statements.

IASB and IASB-related matters

Composition of the IFRS Taxonomy Consultative Group

5.1 The DPOC considered a report on the composition of the IFRS Taxonomy Consultative Group. It was explained that in February 2026 there had been a call for new members for the Group and over 50 applications were received. Both boards have subsequently approved five new appointments, four reappointments and one new observer. Before these appointments are finalised the DPOC was being asked to review the new proposed composition of the Group. The composition was summarised by functional background and geographical perspective and is set out in paragraphs 11 and 12 of the paper.

Resolution

5.2 The DPOC confirmed that it was satisfied that the proposed composition of the Group would result in an appropriate balance of perspectives, including geographical balance.

Closing

6.1 On behalf of the DPOC, the Chair acknowledged that this would be Andreas Barckow's final DPOC meeting as IASB Chair and thanked him for his dedication to financial reporting, his contribution to advancing the Foundation's objectives and his constant support for thorough and robust due process.