IFRS® Foundation

August 2026

Exposure Draft

IFRS® Foundation

Proposed Targeted Amendments to the IFRS Foundation *Constitution*

Comments to be received by 16 November 2026

Exposure Draft

Proposed Targeted Amendments to the IFRS Foundation *Constitution*

Comments to be received by 16 November 2026

The Exposure Draft *Proposed Targeted Amendments to the IFRS Foundation Constitution* is published by the IFRS Foundation (Foundation) for comment only. Comments need to be received by **16 November 2026** and should be submitted by email to commentletters@ifrs.org or online at https://www.ifrs.org/projects/open-for-comment/.

All comments will be on the public record and posted on our website at www.ifrs.org unless the respondent requests confidentiality. Such requests will not normally be granted unless supported by a good reason, for example, commercial confidentiality. Please see our website for details on this policy and on how we use your personal data.

Copies of Foundation publications may be ordered from the Foundation by emailing customerservices@ifrs.org or by visiting our shop at https://shop.ifrs.org.

The Foundation is a not-for-profit corporation under the General Corporation Law of the State of Delaware, USA and operates in England and Wales as an overseas company (Company number: FC023235) with its principal office in the Columbus Building, 7 Westferry Circus, Canary Wharf, London, E14 4HD.

CONTENTS

Introduction

In 2024 the IFRS Foundation began a strategic and comprehensive review of its operations, following a period of significant success and rapid growth. That review led to a transformation programme designed to ensure the organisation remains fit for the future and continues to deliver on its mission to bring transparency, efficiency and accountability to capital markets globally. The transformation programme reflects the Trustees' commitment to ensuring that the Foundation continues to serve as the global standard-setter for corporate reporting to the capital markets, responsive to the evolving needs of stakeholders worldwide.

As part of this review, the Trustees considered how the Foundation could continue to fulfil its mission effectively, efficiently and sustainably over the long term. To support this objective, the Trustees decided to streamline aspects of the Foundation's operations and governance arrangements, including a gradual reduction in the size of the two standard-setting boards—the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB)—as board members' terms come to an end to ensure that the boards remain sustainable within the Foundation's available resources. The Trustees' five-year operating and financing plan, announced in August 2026, supports the Foundation's long-term financial sustainability, including through measures to ensure that the Foundation has the resources required to deliver its mission.

The Trustees acknowledge that reducing the size of the boards will require some adjustments to how the boards organise and conduct their work. The Trustees remain committed to supporting the continued success of the IASB and the ISSB as independent global standard-setters and to maintaining the boards' technical capacity, stakeholder engagement and ability to deliver their work programmes over the long term. The Trustees are confident that the smaller boards can continue to deliver high-quality Standards and support their adoption and consistent application worldwide, including through board member-led engagement with stakeholders. The boards' technical depth and rigour will continue to be supported by the Foundation's extensive infrastructure, including a highly skilled, multi-disciplinary staff and the effective use of jurisdictionally diverse advisory and consultative bodies.

The Trustees also remain committed to maintaining geographically diverse and balanced board memberships and to ensuring appropriate diversity of professional backgrounds, skills and perspectives. In the Trustees' view, the reduced board size is sufficient to maintain appropriate diversity of views in decision-making and to preserve confidence that the IASB and the ISSB remain globally diverse, knowledgeable and credible global standard-setters.

The changes proposed in this Exposure Draft are intended to support these objectives and ensure that the Foundation can continue to fulfil its mission effectively in a changing environment while using its resources efficiently and responsibly. Accordingly, the Trustees are proposing a set of targeted amendments to the IFRS Foundation *Constitution*[1] designed to operationalise their decision to reduce the size of the boards. The amendments would provide an appropriate governance framework for the smaller

1 IFRS Foundation *Constitution*, available at https://www.ifrs.org/content/dam/ifrs/about-us/legal-and-governance/constitution-docs/ifrs-foundation-constitution-2021.pdf.

boards, facilitate their effective functioning and provide stakeholders with clarity about the smaller boards' governance arrangements.

The Trustees will consider the feedback on this Exposure Draft and will then decide how to finalise the amendments to the *Constitution*. When the amendments are finalised, the IFRS Foundation *Due Process Handbook*[2] will be updated as necessary to reflect the changes, including changes to the voting requirements.

2 IFRS Foundation *Due Process Handbook*, available at https://www.ifrs.org/content/dam/ifrs/about-us/legal-and-governance/constitution-docs/due-process-handbook-2026.pdf.

Invitation to comment

Board size and geographical allocation of board members

Board size

The Trustees propose to amend section 25 (for the IASB) and section 44 (for the ISSB) to specify that the IASB and the ISSB should normally comprise between eight and 12 members. The Trustees will determine the number of members for each board having regard to the boards' respective priorities and workloads. The Trustees are confident that the smaller boards can continue to deliver high-quality Standards and support their adoption and consistent application worldwide. In the Trustees' view, a board comprising between eight and 12 members still ensures sufficient diversity of professional backgrounds, skills and perspectives, while maintaining global participation. The Trustees observe that the boards' effectiveness, rather than their size alone, underpins their global credibility and legitimacy.

The *Constitution* has historically specified a fixed board size, although in practice its provisions have allowed some flexibility in the number of members. The Trustees propose a specified range for board membership to provide explicit flexibility in the size of the boards. This range avoids unnecessarily constraining the Trustees' ability to determine the most appropriate size for each board over time without requiring further amendments to the *Constitution*. The proposal is intended to enable the boards to continue operating effectively if their respective priorities, workloads or composition requirements evolve.

The proposed range also allows the Trustees to determine the most appropriate size for each board separately over time, taking account of their respective environments, workloads and operational needs. For example, the ISSB is at an earlier stage of development, and fluctuations in the nature and intensity of its workload might mean that its appropriate size could differ from that of the IASB over time.

While the Trustees expect each board to comprise 10 members from 2028, they note that specifying 12 members as the upper number in the range provides flexibility if additional members are required. For example, a larger number of members might be appropriate if there are a number of part-time members.

Geographical allocation of board members

Board members are not appointed as representatives of any geographical region or jurisdiction. Members are appointed as individuals on the basis of their professional competence and practical experience and are required to act in the public interest. However, geographical diversity is an important consideration in the composition of each board, and accordingly, the *Constitution* specifies a 'normal' geographical allocation of members to ensure a broad international balance.

The Trustees propose to amend section 27 (for the IASB) and section 46 (for the ISSB) to align the geographical allocation with the revised board size. The Trustees are confident that the reduced board size is sufficient to maintain appropriate geographical diversity and balance. The Trustees also note that the boards will continue to draw on technical input from a wide variety of global perspectives through their formal consultations, consultative bodies and outreach.

The proposed amendments also explicitly state that the Trustees will endeavour to ensure geographical balance in the membership of each board.

Table 1 shows the currently specified allocation of each board and the proposed allocation:

Table 1—Geographical allocation of the boards

Region	Current IASB	Current ISSB	Proposed IASB and ISSB
Asia–Oceania	4	3	**2**
Europe	4	3	**2**
Americas	4	3	**2**
Africa	1	1	**1**
Any area (‘at-large members’)	1	4	**remaining members***
Total	14	14	**8–12**
* subject to not creating overall geographical imbalance			

The proposed geographical allocation is largely consistent with the existing allocation but has been adapted to fit the smaller boards.

The proposals maintain the principle of broad international balance, ensuring that the boards continue to reflect the global nature of the Foundation’s work and supporting confidence that the boards remain geographically diverse and credible global standard-setters. The proposals preserve the current equality of allocation to Asia–Oceania, Europe and the Americas that has been used in the *Constitution* since 2016 and also preserve participation from Africa.

The proposals increase the proportion of at-large members on the IASB. In the Trustees’ view, this provides a more appropriate framework by supporting geographical diversity while providing flexibility in board composition. At-large positions facilitate the appointment of highly qualified individuals with exceptional skills and experience to ensure the highest quality boards, including individuals from jurisdictions that do not readily fit into the *Constitution*’s geographical regions (or any one geographical region) as well as individuals from emerging economies. The Trustees emphasise that the proposed allocation of at-large members for both boards is explicitly subject to not creating overall geographic imbalance.

While board members do not represent jurisdictions and are expected to vote on technical matters as individuals, the Trustees recognise the importance of ensuring that the boards remain informed by a broad range of jurisdictional perspectives. The Trustees acknowledge that a smaller board size is likely to reduce the number of jurisdictions reflected in the membership of each board. However, the Trustees are of the view that jurisdictional participation in the boards can be considered across the two boards and is also provided in other parts of the boards’ activities such as the standard-setting advisory forums, Advisory Council and other consultative bodies and the boards’ interpretation and implementation committees. In addition, Trustees themselves can provide strong links with particular jurisdictions (recognising the fundamentally different role of a Trustee and a board member).

Overall, the proposed amendments to revise the geographical allocation are designed to maintain the boards' legitimacy and credibility with stakeholders worldwide, while providing the necessary flexibility for the boards to operate effectively with a smaller membership.

The Trustees also propose to amend section 30 (for the IASB) and section 49 (for the ISSB) to formalise the recent practice of designating the Chair as one of the at-large members, ensuring the appointment is not restricted to any specific region.

Question 1—Board size and geographical allocation of board members
Do you agree with how the Trustees propose to amend the *Constitution* to implement their decision to reduce the size of the boards by: (a) specifying a range for board membership; and (b) amending the geographical allocation of members to maintain appropriate international diversity and balance? If not, why not and what would you propose instead and why?

Attributes of board members

Part-time board members

The Trustees propose no changes to the main provisions for part-time membership (in section 25A for the IASB and section 44A for the ISSB).

This decision maintains the current ability to appoint a limited number of part-time board members—that is, up to three IASB members and a minority of ISSB members may be part-time, subject to those members meeting independence requirements. The *Constitution* defines a part-time member as a member committing 'most of their time to paid employment by the Foundation'. The Trustees note that retaining greater flexibility for the ISSB remains useful in the current environment. This small difference between the boards reflects their different stages of maturity, operational needs and environments.

The Trustees are of the view that retaining the ability to appoint some part-time members is useful to avoid unnecessarily constraining the recruitment of suitably qualified and experienced members. It can help to attract individuals with particular skills and experience or to accommodate particular circumstances of board members. In considering appointments, the Trustees will take into account the practical effect of any part-time member on a board's capacity to undertake its workload. The Trustees will also ensure that any other role held by a part-time member would not impair, nor be perceived as impairing, the board's independence from external interference. The Trustees evaluate any potential part-time member on a case-by-case basis against their Code of Conduct and through their Ethics and Governance Committee.

The proposed amendments address the effect of a reduction in the total membership of the ISSB on the permitted number of part-time ISSB members. Specifically, the proposals would not require an immediate, corresponding reduction—for example, if a full-time member departs, the number of part-time members could temporarily exceed a minority of the total board membership. However, the Trustees propose that compliance with the minority threshold would be required when making any subsequent appointment (or reappointment) of part-time ISSB members.

The Trustees also propose that both the IASB and ISSB Chairs would be full-time members and therefore propose to amend section 49 to remove the previous flexibility for the ISSB Chair to serve part-time. This flexibility was originally intended to help attract candidates for the inaugural ISSB Chair. However, with the ISSB now established and given its reduced size, the Trustees believe it is appropriate that the ISSB Chair should be a full-time member.

Qualification for membership

The Trustees propose no changes to the provisions related to the main qualifications for membership of the boards (in section 26 for the IASB and section 45 for the ISSB).

The *Constitution* specifies that the main qualifications for membership of the boards are 'professional competence and recent relevant professional experience'. It requires the Trustees to select members of the boards consistently with the specified criteria for each board in the Annex to the *Constitution* so that the boards 'comprise a group of people representing, within that group, the best available combination of technical expertise and diversity of international business and market experience, including auditors, preparers, users, academics and market or financial regulators'. It also states for the ISSB that 'a broad base of skills, experience and perspectives is needed, therefore ISSB members may also have professional backgrounds that reflect a diverse range of expertise and roles that are relevant to sustainability'.

Maintaining the overall diversity of experience of the boards may be more challenging with a smaller board. However, the Trustees remain committed to ensuring that the boards continue to have the breadth of skills, experience and perspectives necessary to fulfil their responsibilities effectively. In particular, the Trustees are of the view that it remains important that the boards have:

- sufficient members covering the core skills needed (for example, technical expertise and stakeholder and jurisdictional engagement); and
- sufficient members with investor and preparer experience to ensure that investor information needs and the practical implementation and cost implications for preparers are appropriately reflected in board discussions.

For these reasons, the Trustees are of the view that the existing qualification requirements remain appropriate and continue to provide an important framework for maintaining the necessary breadth of skills, experience and perspectives on the boards. Accordingly, no changes to these provisions are proposed.

Question 2—Attributes of board members
Do you agree with the Trustees' decision to propose no changes in the *Constitution*: (a) to the main provisions related to part-time board membership; and (b) to the main qualifications for membership of the boards? If not, why not, and what would you propose instead and why?

Voting arrangements

The Trustees propose to align the voting provisions with the smaller board size (in section 36 for the IASB and section 55 for the ISSB). These proposed amendments are intended to enable the smaller boards to continue making decisions effectively and to maintain the existing voting thresholds to support stakeholder confidence in the legitimacy of the Standards.

Standards and Exposure Drafts

The current requirements in the *Constitution* raise some potential practical problems if a board has fewer than 12 members. For example, the *Constitution* requires eight members to approve the publication of Exposure Drafts and Standards if the board comprises 13 or fewer members. Therefore, for example, a board of 10 members cannot publish an Exposure Draft or a Standard if more than two members dissent. Applying the provisions in the *Due Process Handbook*, these voting requirements also mean that no more than two members can meet privately to discuss technical matters if a board has 10 members, which would limit efficient collaboration and discussion.[3] The current voting requirements become even more impractical when a board has fewer than 10 members.

To address these practical challenges, the proposed amendments require a simple majority plus one additional vote to approve Exposure Drafts and Standards, with a minimum of five affirmative votes. The underlying principle of a simple majority plus one additional vote is currently implicit in the *Constitution* for a board of 12–14 members and the expression 'simple majority plus one' is used to specify the voting for the ISSB in the period before it had its full complement of members.

The proposed amendments thus maintain the same voting threshold that currently applies to a board of 12–14 members. The proposed minimum of five affirmative votes is intended to preserve stakeholder confidence in the legitimacy of decision-making by smaller boards. The proposed amendments also clarify that abstaining is always equivalent to voting against a document, as is currently specified in paragraph 3.19 of the *Handbook*.

3 Paragraph 3.42 of the *Due Process Handbook* restricts the number of board members attending a small group meeting so that the board members attending cannot form a potential blocking minority during balloting.

The Trustees acknowledge that, under these proposed voting requirements, the *Handbook* would limit attendance at small group meetings (including board adviser meetings) to no more than two board members if a board has eight members, because a simple majority plus one would be six members. The Trustees note that the Trustees' Due Process Oversight Committee could consider whether to amend the *Handbook* to revise the current rule on the number of board members permitted to attend a small group meeting. Irrespective of any amendment to this rule, the Trustees emphasise that full and open consideration of technical matters, and decisions on such matters, take place only in public meetings.

The proposed minimum of five affirmative votes would also determine the minimum size of each board: five members. This approach is currently used for the IASB, for which the minimum board size is currently eight members by operation of the minimum-vote requirement.

Other documents and decisions

The proposed amendments for other decisions—including the publication of a Discussion Paper or a Request for Information—maintain the existing voting threshold of a simple majority and introduce a minimum-vote provision that requires at least four affirmative votes. The proposals clarify that abstaining is always equivalent to voting against a document or proposal, as is currently specified in paragraph 3.19 of the *Due Process Handbook*.

The proposed amendments also address an inconsistency with the *Handbook* regarding the approval of a Discussion Paper. Both the *Handbook* and *Constitution* specify a simple majority, but the *Handbook* requires approval by written ballot, which requires a simple majority of all a board's members, whereas the *Constitution* currently requires approval only by those members present at a meeting. The proposals align the *Constitution* with the *Handbook*'s requirement, which is both well-established practice and effectively a higher threshold.

Question 3—Voting arrangements
Do you agree with how the Trustees propose to update the voting requirements in the *Constitution* to facilitate effective decision-making for the smaller boards? If not, why not and what would you propose instead and why?

Other targeted amendments

The Trustees propose other targeted amendments to clarify and update particular provisions in the *Constitution*. Specifically:

- *duration of board member terms*—the proposed amendments in section 31 (for the IASB) and section 50 (for the ISSB) retain the existing principle that a board member's total term would normally be no more than eight years but could extend to a maximum of 10 years on an exceptional basis if this would significantly enhance the board's ability to deliver its work. However, the proposals clarify the wording to allow for greater flexibility in the length of individual terms, with initial appointments of up to five years and the possibility of renewal for one or more further terms. This would enable the Trustees to tailor appointments to the needs of the boards and individual members.

- *timing of work plan consultation*—the proposed amendment in section 37(d)(ii) clarifies that the IASB, like the ISSB, could establish a work plan for a shorter period than five years.
- *basis for conclusions accompanying an IFRS Standard or an Exposure Draft*—the proposed amendments in sections 37(j) and 37(m) (for the IASB) and sections 58(j) and 58(m) (for the ISSB) clarify that a basis for conclusions must accompany a Standard and an Exposure Draft. This requirement is aligned with the *Due Process Handbook* and is established practice.
- *Managing Director*—the proposed amendments to the title and description of the Managing Director in section 64 align the *Constitution* more closely with the Managing Director's role specification and established governance practice, ensuring clarity regarding the scope of delegated authority and the Trustees' ultimate responsibility.
- *temporary provisions for the ISSB*—the proposed amendments to sections 55–58 withdraw the interim provisions that applied when the ISSB was not quorate or had fewer than 12 members.

Question 4—Other targeted amendments
Do you agree with the other proposed targeted amendments to the *Constitution*?

Deadline

The Trustees will consider all written comments received by 16 November 2026.

How to comment

Please submit your comments electronically:

Website	https://www.ifrs.org/projects/open-for-comment/
By email	commentletters@ifrs.org

Your comments will be on the public record and posted on our website unless you request confidentiality and we grant your request. We normally grant such requests only if they are supported by a good reason, for example, commercial confidentiality. Please see our website for details on this policy and on how we use your personal data. If you would like to request confidentiality, please contact us at commentletters@ifrs.org before submitting your letter.

Proposed amendments to the *Constitution*

In the proposed amendments new text is underlined and deleted text is struck through. Sections without any underlined or struck-through text are not amended but are included for ease of reference.

Sections have not been renumbered to reflect inserted and deleted sections but will be renumbered sequentially when the amendments are finalised.

The International Accounting Standards Board

25 The IASB shall normally comprise between eight and 12 ~~14~~ members, with the Trustees determining the number of members having regard to the board's priorities and workload. The members of the IASB are appointed by the Trustees under section 16(a). The work of the IASB shall not be invalidated by its failure at any time to have a full complement of members.

25A The members of the IASB shall normally be full-time members, each of whom shall commit all of their working time to paid employment by the IFRS Foundation. Up to three members of the IASB may serve on a ~~be~~ part-time basis provided that each such member ~~members (the expression 'part-time' meaning that the members concerned~~ commits ~~commit~~ most of their working time to paid employment by the IFRS Foundation~~)~~ and ~~shall~~ meets ~~meet appropriate~~ guidelines of independence established by the Trustees. ~~The remaining members shall be full-time members (the expression 'full-time' meaning that the members concerned commit all of their time to paid employment by the IFRS Foundation). The work of the IASB shall not be invalidated by its failure at any time to have a full complement of members, although the Trustees shall use their best endeavours to achieve a full complement.~~ In permitting members to serve on a part-time basis, the Trustees shall consider the overall size and capacity of the IASB to ensure it can effectively carry out its work.

26 The main qualifications for membership of the IASB shall be professional competence and recent relevant professional experience. The Trustees shall select members of the IASB, consistently with the 'Criteria for IASB members' set out in the Annex to this *Constitution*, so that it will comprise a group of people representing, within that group, the best available combination of technical expertise and diversity of international business and market experience, including auditors, preparers, users, academics and market or financial regulators, in order that the IASB as a group can contribute to the development of high-quality, global accounting standards. The members of the IASB shall be required to commit themselves formally to acting in the public interest in all matters. No individual shall be both a Trustee and a member of the IASB at the same time.

27 In a manner consistent with the 'Criteria for IASB members' as set out in the Annex to this *Constitution* and in order to ensure a broad international balance, having regard to the size of the IASB at any time, there shall normally be:

(a) two ~~four~~ members from the Asia-Oceania region;

(b) two ~~four~~ members from Europe;

(c) two ~~four~~ members from the Americas;

(d) one member from Africa; and

(e) the remaining members ~~one member~~ appointed from any area ('at-large' members), subject to not creating ~~maintaining~~ overall geographical imbalance ~~balance~~.

The work of the IASB shall not be invalidated by its failure at any time to have a full complement of members according to the above geographical allocation. ~~, although the~~ The Trustees shall use their best endeavours to ensure ~~achieve the~~ geographical balance in the membership of the IASB ~~allocation~~.

28 The IASB will, in consultation with the Trustees, be expected to establish and maintain liaison with national standard-setters, other standard-setters, and other official bodies with an interest in accounting standard-setting in order to assist in the development of IFRS Accounting Standards and to promote the convergence of national accounting standards and IFRS Accounting Standards.

29 Each full-time and part-time member of the IASB shall agree contractually to act in the public interest and to have regard to the ~~IASB's~~ *Conceptual Framework for Financial Reporting* (as amended from time to time) in deciding on and revising IFRS Accounting Standards.

30 The Trustees shall appoint one of the full-time members as the Chair of the IASB. The Chair shall be one of the members from any area ('at-large' members) as described in section 27(e). Up to two of the full-time members of the IASB may also be designated by the Trustees as a Vice-Chair, whose role shall be to chair meetings of the IASB in the absence of the Chair or to represent the Chair in external contacts. The appointment of the Chair and the designation as Vice-Chair shall be for such term as the Trustees decide. The title of Vice-Chair does not imply that the member concerned is the Chair elect. The appointment of a Chair and Vice-Chair(s) should be made with regard to maintaining a geographical balance.

31 Members of the IASB shall be appointed initially for a term of up to five years. A term may be renewed ~~renewable~~ for one or more ~~a~~ further terms ~~term of three years, with the possibility of renewal up to a maximum of five years~~, in accordance ~~line~~ with procedures developed by the Trustees for such renewals. The cumulative period of service ~~term~~ of an individual member of the IASB shall typically ~~may~~ not exceed eight years but may extend to a maximum of 10 years ~~in total~~.

32 The Trustees shall develop rules and procedures to ensure that the IASB is, and is seen to be, independent, and, in particular, on appointment, full-time members of the IASB shall sever all employment relationships with current employers and shall not hold any position giving rise to economic incentives that might call into question their independence of judgement in setting IFRS Accounting Standards. Secondments and any rights to return to an employer would, therefore, not be permitted. Part-time members of the IASB would not

be expected to sever all other employment arrangements but must be able to demonstrate and maintain a sufficient level of independence.

33 Full-time and part-time members of the IASB shall be remunerated at rates commensurate with the respective responsibilities assumed; such rates shall be determined by the Trustees. Expenses of travel on IASB business shall be met by the IFRS Foundation.

34 The IASB shall meet at such times and locations as it determines; meetings of the IASB shall be open to the public, but certain discussions (normally ~~only~~ about administrative matters ~~selection, appointment and other personnel issues~~) may be held in private at the discretion of the IASB.

35 Each member of the IASB shall have one vote. On both technical and other matters, voting by proxy shall not be permitted nor shall members of the IASB be entitled to appoint alternates to attend meetings. In the event of a tied vote, on a decision that is to be made by a simple majority of the members of the IASB present at a meeting in person or virtually ~~by telecommunications~~[4], the Chair shall have an additional casting vote.

36 The publication of an Exposure Draft or issuing of an IFRS Accounting Standard (including an IAS® Standard or an IFRIC® Interpretation of the Interpretations Committee) shall require approval by a simple majority of the ~~eight~~ members of the IASB then in office plus one additional vote, and in no case fewer than five affirmative votes ~~if it comprises 13 members or fewer, or by nine members if it comprises 14 members~~. For example, if the IASB comprises 10 members, at least seven affirmative votes are required; if the IASB comprises eight members, at least six affirmative votes are required. The publication of a Discussion Paper shall require approval by a simple majority of the members of the IASB then in office, and in no case fewer than four affirmative votes. Other decisions of the IASB, including the publication of a Request for Information ~~Discussion Paper~~, shall require a simple majority of the members of the IASB present at a meeting that is attended by at least 60 per cent of the members of the IASB, in person or virtually ~~by telecommunications~~, and in no case fewer than four affirmative votes. Abstaining is always equivalent to voting against a document or a proposal.

37 The IASB shall:

(a) have complete responsibility for all IASB technical matters, including the preparation and issuing of IFRS Accounting Standards (other than IFRIC Interpretations) and Exposure Drafts, each of which shall include any dissenting opinions, and the approval and issuing of IFRIC Interpretations developed by the Interpretations Committee;

(b) publish an Exposure Draft on all projects and normally publish a discussion document for public comment on major projects in accordance with the IFRS Foundation *Due Process Handbook*;

4 All instances in the *Constitution* of ‘by telecommunications’ will be amended to ‘virtually’.

(c) in exceptional circumstances, and only after formally requesting and receiving approval from 75 per cent of the Trustees, reduce, but not dispense with, the public comment period on an Exposure Draft to below the minimum specified in the IFRS Foundation *Due Process Handbook*;

(d) have full discretion in developing and pursuing its technical agenda, subject to:

   (i) consulting the Trustees (consistently with section 16(d)) and the Advisory Council (consistently with section 61); and

   (ii) carrying out a public consultation at least every five years from the date of the most recent public agenda consultation.

(e) have full discretion over project assignments on technical matters; in organising the conduct of its work, the IASB may outsource detailed research or other work to national standard-setters or other organisations;

(f) establish procedures for reviewing comments made within a reasonable period on documents published for comment;

(g) normally form working groups or other types of specialist advisory groups to give advice on major projects;

(h) consult the Advisory Council on major projects, agenda decisions and work priorities;

(i) with the ISSB, establish procedures for working with the ISSB with the objective of developing IFRS Accounting Standards that are compatible, and avoid inconsistencies and conflicts, with IFRS Sustainability Disclosure Standards;

(j) ~~normally~~ publish a Basis for Conclusions with an IFRS Accounting Standard or an Exposure Draft;

(k) consider holding public hearings to discuss proposed IFRS Accounting Standards, although there is no requirement to hold public hearings for every project;

(l) consider undertaking field tests (both in developed countries and in emerging markets) to ensure that proposed IFRS Accounting Standards are practical and workable in all environments, although there is no requirement to undertake field tests for every project; and

(m) give reasons if it does not follow any of the non-mandatory procedures set out in (b), (g), ~~(j),~~ (k) and (l).

38 The authoritative text of any Exposure Draft, draft Interpretation or IFRS Accounting Standard shall be that published by the IASB in the English language. The IASB may publish authorised translations or give authority to others to publish translations of the authoritative text of Exposure Drafts, draft Interpretations and IFRS Accounting Standards.

...

The International Sustainability Standards Board

44 The ISSB shall normally comprise between eight and 12 ~~14~~ members, with the Trustees determining the number of members having regard to the board's priorities and workload ~~but no fewer than eight members~~. The members of the ISSB are appointed by the Trustees under section 16(a). The work of the ISSB shall not be invalidated by its failure at any time to have a full complement of members.

44A The members of the ISSB shall normally be full-time members, each of whom shall commit all of their working time to paid employment by the IFRS Foundation. Up to a ~~A~~ minority of ISSB members may serve on a ~~be~~ part-time basis provided that each such member ~~members (the expression 'part-time' meaning that the members concerned~~ commits ~~commit~~ most of their working time to paid employment by the IFRS Foundation~~)~~ and ~~shall~~ meets ~~meet appropriate~~ guidelines of independence established by the Trustees. If the total membership of the ISSB is reduced—for example, following the departure of a full-time member—any corresponding reduction to the number of part-time members need not be immediate. However, compliance with the minority threshold under this section for part-time members is required when making any subsequent appointment (or reappointment) of part-time members. ~~The remaining members shall be full-time members (the expression 'full-time' meaning that the members concerned commit all of their time to paid employment by the IFRS Foundation). The work of the ISSB shall not be invalidated by its failure at any time to have a full complement of members, although the Trustees shall use their best endeavours to achieve a full complement.~~ In permitting members to serve on a part-time basis, the Trustees shall consider the overall size and capacity of the ISSB to ensure it can effectively carry out its work.

45 The main qualifications for membership of the ISSB shall be professional competence and recent relevant professional experience. The Trustees shall select members of the ISSB, consistently with the 'Criteria for ISSB members' set out in the Annex to this *Constitution*, so that it will comprise a group of people representing, within that group, the best available combination of technical expertise and diversity of international business and market experience, including auditors, preparers, users, academics and market or financial regulators. A broad base of skills, experience and perspectives is needed, therefore ISSB members may also have professional backgrounds that reflect a diverse range of expertise and roles that are relevant to sustainability. The ISSB collectively will be expected to demonstrate expert knowledge, relevant industry expertise in sustainability reporting and share practical, relevant and up-to-date experience of sustainability reporting in order that the ISSB as a group can contribute to the development of high-quality, global sustainability disclosure standards. The members of the ISSB shall be required to commit themselves formally to acting in the public interest in all matters. No individual shall be both a Trustee and a member of the ISSB at the same time.

46 In a manner consistent with the 'Criteria for ISSB members' as set out in the Annex to this *Constitution* and in order to ensure a broad international balance, having regard to the size of the ISSB at any time, there shall normally be:

(a) two ~~three~~ members from the Asia-Oceania region;

(b) two ~~three~~ members from Europe;

(c) two ~~three~~ members from the Americas;

(d) one member from Africa; and

(e) the remaining ~~four~~ members appointed from any area ('at-large' members), subject to not creating overall geographical imbalance.

The work of the ISSB shall not be invalidated by its failure at any time to have a full complement of members according to the above geographical allocation.~~, although the~~ The Trustees shall use their best endeavours to ensure ~~achieve the~~ geographical balance in the membership of the ISSB ~~allocation~~.

47 The ISSB will, in consultation with the Trustees, be expected to establish and maintain liaison with national standard-setters, other standard-setters, and other official bodies ~~relevant stakeholders~~ with an interest in sustainability reporting standard-setting in order to assist in the development of IFRS Sustainability Disclosure Standards ~~sustainability disclosure standards~~ and to promote the convergence of national and regional sustainability reporting standards and IFRS Sustainability Disclosure Standards.

48 Each full-time and part-time member of the ISSB shall agree contractually to act in the public interest and to have regard to the ISSB's objectives (and conceptual framework once created) in deciding on and revising IFRS Sustainability Disclosure Standards.

49 The Trustees shall appoint one of the full-time ~~or part-time~~ members as the Chair of the ISSB. The Chair shall be one of the members from any area ('at-large' members) as described in section 46(e). Up to two of the full-time members of the ISSB may also be designated by the Trustees as a Vice-Chair, whose role shall be to chair meetings of the ISSB in the absence of the Chair or to represent the Chair in external contacts. The appointment of the Chair and the designation as Vice-Chair shall be for such term as the Trustees decide. The title of Vice-Chair does not imply that the member concerned is the Chair elect. The appointment of a Chair and Vice-Chair(s) should be made with regard to maintaining a geographical balance.

50 Members of the ISSB shall be appointed initially for a term of up to ~~no greater than~~ five years. A term may be renewed ~~renewable~~ for one or more ~~a~~ further terms ~~term of three years, with the possibility of renewal up to a maximum of five years~~, in accordance ~~line~~ with procedures developed by the Trustees for such renewals. The cumulative period of service ~~term~~ of an individual member of the ISSB shall typically ~~may~~ not exceed eight years but may extend to a maximum of 10 years ~~in total~~.

51 The Trustees shall develop rules and procedures to ensure that the ISSB is, and is seen to be, independent, and, in particular, on appointment, full-time members of the ISSB shall sever all employment relationships with current employers and shall not hold any position giving rise to economic incentives that might call into question their independence of judgement in setting IFRS Sustainability Disclosure Standards. Secondments and any rights to return to an employer would, therefore, not be permitted. Part-time members of the ISSB would not be expected to sever all other employment arrangements but must be able to demonstrate and maintain a sufficient level of independence.

52 Full-time and part-time members of the ISSB shall be remunerated at rates commensurate with the respective responsibilities assumed; such rates shall be determined by the Trustees. Expenses of travel on ISSB business shall be met by the IFRS Foundation.

53 The ISSB shall meet at such times and locations as it determines; meetings of the ISSB shall be open to the public, but certain discussions (normally ~~only~~ about administrative matters ~~selection, appointment and other personnel issues~~) may be held in private at the discretion of the ISSB.

54 Each member of the ISSB shall have one vote. On both technical and other matters, voting by proxy shall not be permitted nor shall members of the ISSB be entitled to appoint alternates to attend meetings. In the event of a tied vote, on a decision that is to be made by a simple majority of the members of the ISSB present at a meeting in person or virtually ~~by telecommunications~~, the Chair shall have an additional casting vote.

55 The publication of an Exposure Draft or issuing of an IFRS Sustainability Disclosure Standard shall require approval by a simple majority of the ~~eight~~ members of the ISSB then in office plus one additional vote, and in no case fewer than five affirmative votes ~~if it comprises 13 members or fewer, or by nine members if it comprises 14 members~~. For example, if the ISSB comprises 10 members, at least seven affirmative votes are required; if the ISSB comprises eight members, at least six affirmative votes are required. The publication of a Discussion Paper shall require approval by a simple majority of the members of the ISSB then in office, and in no case fewer than four affirmative votes. ~~As an interim measure, and until the ISSB comprises at least 12 members, the publication of an Exposure Draft or an IFRS Sustainability Disclosure Standard shall require approval by a simple majority of the ISSB plus one member.~~ Other decisions of the ISSB, including the publication of a Request for Information ~~Discussion Paper~~, shall require a simple majority of the members of the ISSB present at a meeting that is attended by at least 60 per cent of the members of the ISSB, in person or virtually ~~by telecommunications~~, and in no case fewer than four affirmative votes. Abstaining is always equivalent to voting against a document or a proposal.

~~56~~ ~~Until the ISSB comprises its minimum of eight members, the Chair and the Vice-Chair(s), in consultation with any appointed members, may publish:~~

~~(a)~~ ~~a request for information to obtain public input to assist the ISSB in developing its work plan; and~~

(b) ~~Exposure Drafts for public comment on climate-related disclosures and/or general requirements for disclosure of sustainability-related financial information.~~

~~57~~ ~~The decisions of the Chair and the Vice-Chair(s) to publish the documents specified in section 56 shall be subject to oversight by the Trustees' Due Process Oversight Committee. After publication, the ISSB shall review the comments made on each document and make further decisions on the related projects in accordance with the ISSB's usual procedures as outlined in sections 53–55 and 58.~~

58 The ISSB shall:

(a) have complete responsibility for all ISSB technical matters, including the preparation and issuing of IFRS Sustainability Disclosure Standards and Exposure Drafts, each of which shall include any dissenting opinions;

(b) publish an Exposure Draft on all projects and normally publish a discussion document for public comment on major projects in accordance with the IFRS Foundation *Due Process Handbook* ~~procedures approved by the Trustees~~;

(c) in exceptional circumstances, and only after formally requesting and receiving approval from 75 per cent of the Trustees, reduce, but not dispense with, the public comment period on an Exposure Draft to below the minimum specified ~~in procedures approved by the Trustees or, in the absence of any such approved procedures for the ISSB, reduce the public comment period to below the minimum~~ in the IFRS Foundation *Due Process Handbook* ~~for an Exposure Draft published by the IASB~~;

(d) have full discretion in developing and pursuing its technical agenda, subject to:

(i) consulting the Trustees (consistently with section 16(d)) and the Advisory Council (consistently with section 61); and

(ii) carrying out a public consultation at least every five years from the date of the most recent public agenda consultation;

(e) have full discretion over project assignments on technical matters; in organising the conduct of its work, the ISSB may outsource detailed research or other work to national standard-setters or other organisations;

(f) establish procedures for reviewing comments made within a reasonable period on documents published for comment;

(g) normally form working groups or other types of specialist advisory groups to give advice on major projects;

(h) consult the Advisory Council on major projects, agenda decisions and work priorities;

(i) with the IASB, establish procedures for working with the IASB with the objective of developing IFRS Sustainability Disclosure Standards that are compatible, and avoid inconsistencies and conflicts, with IFRS Accounting Standards;

(j) ~~normally~~ publish a Basis for Conclusions with an IFRS Sustainability Disclosure Standard or an Exposure Draft;

(k) consider holding public hearings to discuss proposed IFRS Sustainability Disclosure Standards, although there is no requirement to hold public hearings for every project;

(l) consider undertaking field tests (both in developed countries and in emerging markets) to ensure that proposed IFRS Sustainability Disclosure Standards are practical and workable in all environments, although there is no requirement to undertake field tests for every project; and

(m) give reasons if it does not follow any of the non-mandatory procedures set out in (b), (g), ~~(j),~~ (k) and (l).

59 The authoritative text of any Exposure Draft or IFRS Sustainability Disclosure Standard shall be that published by the ISSB in the English language. The ISSB may publish authorised translations or give authority to others to publish translations of the authoritative text of Exposure Drafts and IFRS Sustainability Disclosure Standards.

...

The Managing ~~Executive~~ Director and staff

64 A Managing ~~An Executive~~ Director of the IFRS Foundation,[5] appointed by the Trustees, in consultation with the Chairs of the IASB and the ISSB, shall be responsible for ~~overseeing operational decisions affecting~~ the ~~day-to-day~~ management of the IFRS Foundation and staff, and for implementing and delivering the Foundation's mission, acting under authority delegated by the Trustees and subject to the oversight and reserved powers of the Trustees. The Managing ~~Executive~~ Director shall report to the Chair of the Trustees and engage with the Chairs of the IASB and the ISSB.

65 The Chairs of the IASB and the ISSB shall be responsible for establishing the senior technical team of their respective boards, in consultation with the Trustees, and shall be responsible for the supervision of their respective teams and their staffs.

5 'Executive Director' is also amended to 'Managing Director' in section 16(b).

Columbus Building
7 Westferry Circus
Canary Wharf
London E14 4HD, UK

Tel +44 (0) 20 7246 6410
Email **customerservices@ifrs.org**

ifrs.org