IFRS Sustainability

IFRS® SUSTAINABILITY DISCLOSURE STANDARDS (ISSB STANDARDS)—APPLICATION AROUND THE WORLD

JURISDICTIONAL PROFILE: Philippines

***Disclaimer**—The information in this profile is for general guidance only and may change from time to time. You should not act on the information in this profile, and you should obtain specific professional advice to help you in making any decisions or in taking any action in relation to this profile. If you believe that the information is incorrect, please contact us at regulatoryaffairs@ifrs.org.*

This profile provides information about the application of ISSB Standards in Philippines. The ISSB Standards are developed and issued in the public interest by the International Sustainability Standards Board (ISSB). The ISSB is a standard-setting body of the IFRS Foundation (Foundation), an independent, not-for-profit organisation.

The Foundation has prepared this profile applying an analysis that is in accordance with the *Inaugural Jurisdictional Guide for the adoption or other use of ISSB Standards* (*Jurisdictional Guide*) and based on information provided by jurisdictional authorities in response to a questionnaire the Foundation issued on the regulatory approach to the use of the ISSB Standards. The Foundation invited the questionnaire's respondent and international accounting firms to review a draft of the profile.

The purpose of the Foundation's jurisdictional profiles is only to illustrate the extent of adoption or other use of the Standards across the globe. The profiles do not reflect the intellectual property licensing status of the Standards within any given jurisdiction. The Standards are protected by copyright and are subject to licensing arrangements agreed upon within their jurisdiction. For further information, please contact licensing@ifrs.org.

Description of the jurisdictional approach

Jurisdictional approach towards the adoption or other use of ISSB Standards[1]
Updated 10 July 2026

	Current[2]	**Target[3]**
Jurisdictional approach	Adopting ISSB Standards with limited transition	Fully adopting ISSB Standards

[1] Refers to the range of approaches that jurisdictions may take to 'adopt, apply or otherwise be informed by' ISSB Standards when introducing sustainability-related disclosure requirements in their legal and regulatory frameworks, as set out in Section 3.4 of the *Jurisdictional Guide*. This range includes approaches that involve the adoption or other use of IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures* directly, as well as the introduction of local sustainability-related disclosure requirements (or standards) designed to deliver functionally aligned outcomes to those resulting from the application of IFRS S1 and IFRS S2 (referred to as 'requirements with functionally aligned outcomes').

[2] The current approach describes the most up-to-date status of a jurisdiction's sustainability-related disclosure requirements reflecting what entities in the jurisdiction are required or permitted to apply at the time the jurisdictional profile is published.

[3] The target approach describes the stated jurisdictional target that a jurisdiction aims to achieve for sustainability-related disclosure requirements reflecting either the final milestone in the jurisdictional roadmap or requirements that have already been introduced by law or regulation but where application by entities will only be required at a future date.

Regulatory approach to sustainability-related disclosures

Has the relevant authority(ies) in the jurisdiction published a decision to require sustainability-related financial disclosures?	Yes.
Does the jurisdiction's regulatory framework for sustainability-related disclosures adopt or otherwise use ISSB Standards?	Yes.
Description of and links to the relevant announcement, roadmap, standards and/or law or regulation.	The Securities and Exchange Commission (SEC) Philippines issued a Memorandum Circular 16, Series of 2025 (SEC MC No. 16), on 23 December 2025, which became effective 15 days after issuance. SEC MC No. 16, requires entities to discontinue application of SEC Sustainability Reporting Guidelines (MC No. 4, s. 2019) and commence reporting in accordance with Philippine Financial Reporting Standards (PFRS) on sustainability disclosures in a phased approach. PFRS will be applicable for financial reporting periods beginning on or after 1 January 2026. PFRS include Philippine Financial Reporting Standard S1 (PFRS S1) and Philippine Financial Reporting Standard S2 (PFRS S2). PFRS fully incorporate IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures* with some limited extensions of transition reliefs (see the *Transition reliefs* section below).
Summary of the timeline for the application of the jurisdiction's sustainability-related disclosure requirements by entities in the jurisdiction.	PFRS are implemented in a phased approach for publicly listed companies: **Tier 1**: required for fiscal years beginning on or after 1 January 2026: • companies listed on the Philippines Stock Exchange (PSE) with market capitalisation of more than Philippine peso (PHP) 50 billion as of 31 December 2025 or at the date of its listing after 31 December 2025 **Tier 2**: required for fiscal years beginning on or after 1 January 2027: • PSE-listed companies with market capitalisation of more than PHP 3 billion and up to PHP 50 billion as of 31 December 2025 or at the date of its listing after 31 December 2025

	Tier 3: required for fiscal years beginning on or after 1 January 2028: • all PSE-listed companies with market capitalisation of PHP 3 billion or less • companies with debt securities listed only on the Philippine Dealing & Exchange Corp and that do not list equity securities on PSE • large non-listed entities with annual revenue of more than PHP 15 billion for the immediately preceding fiscal year

Extent of application of ISSB Standards

Requirements	
Applicable ISSB Standards: which ISSB Standards does the legal or regulatory framework adopt or otherwise use?	IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (locally known as PFRS S1) and IFRS S2 *Climate-related Disclosures* (locally known as PFRS S2). Adoption of future standards will require separate exposure and approval.
Scope: what information is an entity in the jurisdiction required to disclose?	Material information about the sustainability-related risks and opportunities that could reasonably be expected to affect its cash flows, its access to finance or the cost of capital over the short, medium or long term.
Focus: at whom is the information provided by sustainability-related disclosure requirements in the jurisdiction focused?	Existing and potential investors, lenders and other creditors.
Placement of disclosures: does the jurisdiction require that an entity include sustainability-related financial disclosures as part of its general purpose financial reports?	Yes. SEC MC No. 16 adopted IFRS S1 (as PFRS S1), which requires that disclosures are included as part of an entity's general purpose financial reports. Information required in accordance with PFRS may be included in sustainability-related financial disclosures by cross-reference to another report published by the entity.

Timing of reporting: does the jurisdiction require that an entity report sustainability-related financial disclosures at the same time as its related financial statements?	Yes—sustainability-related financial disclosures are required to be published at the same time as the financial statements, as required by IFRS S1 (subject to transition relief for the first annual reporting period, consistent with paragraph E4 of IFRS S1).
Transition reliefs: do the jurisdiction's requirements include any **changes to** the transition reliefs included in IFRS S1 and IFRS S2?	Yes.
Jurisdictional modifications: do the jurisdiction's requirements include any modifications to the requirements in IFRS S1 and IFRS S2?	No.
Schedule of differences between ISSB Standards and jurisdictional requirements, if applicable and available	Not applicable.
Dual reporting: is 'dual reporting' allowed, such that entities in the jurisdiction may assert compliance both with IFRS Sustainability Disclosure Standards as issued by the ISSB and another set of standards (for example, compliance with both ISSB Standards and the jurisdiction's sustainability-related disclosure requirements)?	No.

Transition reliefs:

	Description of relief	Duration of relief
IFRS S1	Tier 3 entities are permitted to report only on climate-related risks and opportunities	Two years (a one-year extension of the standard transition relief).
IFRS S2	Entities in all tiers are not required to disclose Scope 3 greenhouse gas emissions	Two years (a one-year extension of the standard transition relief) from the date when a given tier becomes subject to the requirements.

Assertion of compliance: does the jurisdiction's legal or regulatory framework require entities to make an explicit and unreserved statement of compliance?	Yes, with PFRS S1 and PFRS S2.
Reporting entities	
Are all or most[4] **domestic** publicly accountable entities either required or permitted to comply with the jurisdiction's sustainability-related disclosure requirements?	Yes—required.
Are entities without public accountability either required or permitted to comply with the jurisdiction's sustainability-related disclosure requirements?	Permitted.
What sustainability-related disclosure requirements apply to **foreign** publicly accountable entities?	Foreign publicly accountable entities in Tiers 1-3 are required to submit a sustainability report prepared in accordance with one of the following: a) the same framework as domestic listed entities; b) the ISSB Standards as issued by the ISSB; or c) a framework required in their home jurisdiction.
Reporting entity: do the jurisdiction's requirements specify that an entity's sustainability-related financial disclosures shall be for the same reporting entity as the related financial statements?	Yes.

Other sustainability reporting considerations

Additional disclosure requirements: does the jurisdiction require or permit an entity to provide additional disclosures within the report that contains sustainability-	Yes—permitted.

[4] In accordance with the *Jurisdictional Guide*, 'most' publicly accountable entities is intended to capture the weight of the entities in relation to the economy or activity in the jurisdiction, instead of the number of entities subject to the requirements. It is based on the relative weight of listed entities captured by the requirements in relation to the jurisdiction's gross domestic product or the overall market capitalisation in the main equity index.

related financial disclosures based on ISSB Standards?	
If additional disclosures are permitted or required, what is the basis for such additional information?	Disclosures that are aligned with other international standards and frameworks may be included within the same report that contains sustainability-related disclosures based on PFRS, such as GRI Standards and European Sustainability Reporting Standards (ESRS), and other global reporting frameworks.
Does the jurisdiction require that any such additional disclosures are clearly identified and do not obscure information required by ISSB Standards?	Yes. Section 1, Item No. 5 of SEC MC No. 16 states that other disclosures that are aligned with other international standards and frameworks may be included within the same report that contains information required by PFRS, as long as the following conditions are met: a) the framework applied does not conflict with PFRS S1 or PFRS S2; b) the disclosure does not obscure material information (as defined in ISSB Standards) in the sustainability reports; and c) the framework applied is disclosed in the report.
Digital reporting: is digital reporting of sustainability-related disclosures required?	No.
If yes, what digital reporting taxonomy is used (if applicable)?	Not applicable.
Assurance: what level of assurance over sustainability-related disclosures does the jurisdiction require?	Mandatory external limited assurance on Scope 1 and Scope 2 greenhouse gas emissions by an independent assurance practitioner is required two years after the initial implementation of PFRS S1 and PFRS S2. This requirement applies to all entities subject to the sustainability-related disclosure requirements, regardless of tier. Over time, the requirement will progress towards reasonable assurance on the full sustainability report. Companies are encouraged to voluntarily obtain reasonable assurance over their full sustainability report. Assurance will be conducted in accordance with International Standard on Sustainability Assurance (ISSA) 5000. SEC MC No. 16 indicates that the SEC will issue additional rules and guidance on external assurance.
Other comments regarding the content of sustainability-related financial reporting or the use of ISSB Standards in the jurisdiction	None.

Jurisdictional authorities

Organisation(s):	Securities and Exchange Commission Philippine Financial and Sustainability Reporting Standards Council (FSRSC)
Role of the organisation(s):	The SEC is the national government regulatory agency charged with supervision of the corporate sector, capital market participants and the securities and investment instruments market, and the protection of the investing public. The main function of the FSRSC is to establish generally accepted accounting principles in the Philippines. The FSRSC established the Philippine Sustainability Reporting Committee (PSRC) on 21 October 2022 to evaluate the ISSB's IFRS Sustainability Disclosure Standards for local use and to issue local interpretation and guidance.
Website:	www.sec.gov.ph