

# JURISDICTIONAL SNAPSHOT: Philippines



*‘The Philippine Financial Reporting Standards (PFRS) are intended to align with the IFRS Standards to ensure transparent, consistent and comparable financial and sustainability reporting within the Philippines and globally.’*

*Financial and Sustainability Reporting Standards Council, Philippines*

The IFRS Foundation is providing this high-level overview of the regulatory approach the jurisdiction has proposed or indicated it intends to take for the adoption or other use of ISSB Standards (including 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). The IFRS Foundation has undertaken a preliminary review of the proposed regulatory framework; the final approach may differ from the preliminary summary provided herein. This overview therefore may differ from content the IFRS Foundation may publish in a future jurisdictional profile including as a result of additional information or changes made by a jurisdiction in finalising its regulatory approach to sustainability-related reporting.

## Regulatory stage

In progress.

The Philippine Sustainability Reporting Committee (PSRC) under the Financial and Sustainability Reporting Standards Council (FSRSC) published on 15 December 2023 [Proposed Roadmap for the Adoption of the IFRS Sustainability Disclosure Standards – IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures](#). With this roadmap PSRC endorsed the adoption of IFRS S1 and IFRS S2 for annual reporting periods beginning on or after 1 January 2025, subject to the issuance of regulations or a circular containing the jurisdictional roadmap by Philippine regulators (including, but not limited to, the Securities and Exchange Commission (SEC), Bangko Sentral ng Pilipinas, Insurance Commission and the Commission on Audit).

On 12 March 2024 the Professional Regulatory Board of Accountancy (BOA) published Resolution No. 11 *Adopting the Financial and Sustainability Reporting Standards Council Amendments and Pronouncements*, resolving to adopt IFRS S1 and IFRS S2 as endorsed by the PSRC (PFRS S1 and PFRS S2).

The resolution would take effect once the pronouncements are endorsed by the relevant regulators and fifteen (15) days following its publication in the Official Gazette.

In view of BOA's adoption of ISSB Standards, the SEC and the Philippine Stock Exchange (PSE) have been undertaking certain steps and dialogues with stakeholders to assess the readiness of the market.

The SEC, in collaboration with the PSE, recently conducted a comprehensive survey on the Sustainability Roadmap in the Philippines. This survey was distributed to key stakeholders—including investors, listed and large non-listed companies, assurance providers and

	<p>professional organizations—with the objective of assessing their readiness to adopt the requirements of IFRS S1 and S2, as well as other applicable standards such as those on assurance and ethics and to determine appropriate reporting reliefs with the aim of reducing reporting burdens while ensuring that sustainability reports remain consistent, accurate and comparable.</p> <p>While the final memorandum circular from the regulatory bodies is still under discussion, their intentions have been clearly communicated to the public on a national and ASEAN level. The key information of the Philippine roadmap was shared publicly during the 41st session of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR), hosted by the United Nations Conference on Trade and Development (UNCTAD), as well as at the 2024 Association of Certified Public Accountants in Public Practice (ACPAPP) Annual Convention.</p> <p>The information in this snapshot is based on the proposed roadmap and on publicly communicated updates to the proposals.</p>
<b>Relevant authority or authorities</b>	<p>Philippine Sustainability Reporting Committee (PSRC)  Financial and Sustainability Reporting Standards Council (FSRSC)  Professional Regulatory Board of Accountancy (BOA)  Securities and Exchange Commission (SEC)  Bangko Sentral ng Pilipinas (BSP)  Insurance Commission (IC)</p>

## Proposed requirements

<b>Name of framework or standards</b>	<p>PFRS S1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i> and PFRS S2 <i>Climate-related Disclosures</i>.</p> <p>The Philippine Financial Reporting Standards (PFRS) are intended to align with ISSB Standards.</p>
<b>Date when requirements are proposed to become effective</b>	<p>To be determined.</p> <p>For companies regulated by the SEC, the proposal is for mandatory implementation of IFRS S1 and S2 as follows:</p> <ul style="list-style-type: none"> <li>• <b>Tier 1:</b> Publicly listed companies with market capitalisation of more than PHP50 billion (large cap) as of 31 December 2025, or the date of listing after 31 December 2025—commencing for the annual reporting periods on or after <b>1 January 2026</b>.</li> <li>• <b>Tier 2:</b> Publicly listed companies with market capitalisation of more than PHP3 billion up to PHP 50 billion (mid cap) as of 31 December 2025, or the date of its listing after 31 December 2025—commencing for the annual reporting periods on or after <b>1 January 2027</b>.</li> <li>• <b>Tier 3:</b> Publicly listed companies with market capitalisation of PHP 3 billion or less as of 31 December 2025, or the date of listing after 31 December 2025; and large non-listed companies with annual revenue of more than PHP15 billion for the immediately preceding fiscal year—commencing for the annual reporting periods on or after <b>1 January 2028</b>.</li> </ul>

	<p>For Government corporations:</p> <ul style="list-style-type: none"> <li>• <b>Tier 3:</b> Government corporations classified as Commercial Public Sector Entities and other entities regulated by the Insurance Commission—mandatory reporting will commence following separate guidelines and timeline.</li> </ul> <p>Early application is permitted and encouraged from the time of the publication of the proposed roadmap.</p>
<b>Reporting entities</b>	<p>To be determined.</p> <p>The roadmap intends to cover:</p> <ul style="list-style-type: none"> <li>• <b>All publicly listed entities and large non-listed entities regulated by the SEC:</b> Issuers with a class of securities listed for trading on an Exchange and large non-listed entities which may include banks and other entities primarily regulated by BSP or IC.</li> <li>• <b>Government corporations:</b> Commercial public sector entities and government owned and controlled corporations.</li> <li>• <b>Other entities</b> as may be subsequently determined by the appropriate regulatory authority.</li> </ul> <p>A large non-listed company is proposed to be exempted to submit sustainability-related reports when all the following conditions are met:</p> <ol style="list-style-type: none"> <li>a) Its immediate, intermediate or ultimate parent is already preparing the prescribed sustainability-related disclosures in the Philippines; and</li> <li>b) Its sustainability-related disclosures are included in that parent's report.</li> </ol>
<b>Required or permitted</b>	Intended to be required.
<b>Focus</b>	<p>Existing and potential investors, lenders and other creditors.</p> <p>It is proposed that additional disclosures to meet the information needs of other stakeholders are permitted.</p>
<b>Scope of sustainability-related risks and opportunities on which entities must report</b>	It is proposed that entities would be required to report in accordance with the requirements in IFRS S1 and IFRS S2, locally known as PFRS S1 and PFRS S2.
<b>Materiality filter for disclosures</b>	<p>Required disclosures are proposed to be subject to materiality consideration.</p> <p>The proposed definition of 'material information' is consistent with ISSB Standards.</p>
<b>Timing, location and reporting entity</b>	Proposed to be aligned with ISSB Standards.
<b>Extension of transition reliefs</b>	In addition to the one-year relief included in IFRS S2, the proposals include two additional years (three years in total) in which the entity is not required to report on Scope 3 greenhouse gas emissions.

<b>Jurisdictional modifications from requirements in ISSB Standards</b>	None proposed.
<b>Additional disclosure requirements</b>	It is proposed that entities may choose voluntarily to report on sustainability matters intended to meet the information needs of stakeholders other than investors. Such additional disclosures are permitted if the disclosures do not obscure information required by the PFRS to meet the needs of investors.
<b>Assurance requirements</b>	Limited assurance is proposed for all listed entities and large non-listed entities after two (2) years of mandatory adoption and implementation of PFRS S1 and PFRS S2.
<b>Further information</b>	Not applicable.
<b>Relevant document(s)</b>	<p><a href="#">Proposed Roadmap for the Adoption of the IFRS Sustainability Disclosure Standards – IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures</a></p> <p><a href="#">The Professional Regulatory Board of Accountancy's Resolution No. 11 dated 12 March 2024 (Annex A)</a></p> <p><a href="#">Review of progress in harmonization and practical implementation of sustainability reporting, assurance, and ethical considerations (November 2024)</a></p>