

JURISDICTIONAL SNAPSHOT: South Korea



‘South Korean authorities had agreed to adopt sustainability disclosure standards from after 2026 and will make sure that domestic standards are congruent with global standards (such as ISSB Standards) and interoperable with the sustainability disclosure standards of major economies, taking into account particular characteristics of domestic industries and business operating conditions.’

The Financial Service Commission, Korea

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 jurisdictional approach may differ from the preliminary summary provided herein. This overview may therefore 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	<p>In progress.</p> <p>Public consultation on Korea Sustainability Standards Board (KSSB)’s exposure draft of the Korean Sustainability Disclosure Standards closed on 31 August 2024.</p> <p>Korea’s securities regulator, the Financial Services Commission (FSC), is considering disclosure requirements using KSSB Standards.</p>
Relevant authority or authorities	<p>Financial Services Commission</p> <p>Korea Sustainability Standards Board of the Korea Accounting Institute (KAI)</p>

Proposed requirements

Name of framework or standards	<p>Korean Sustainability Disclosure Standards (KSDS).</p> <p>KSSB published three exposure drafts:</p> <p>(1) KSSB 1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i> (based on IFRS S1);</p> <p>(2) KSSB 2 <i>Climate-related Disclosure</i> (based on IFRS S2); and</p> <p>(3) KSSB 101 <i>Additional Disclosure aligned with Policy Objectives</i>.</p> <p>KSSB 1 and KSSB 2 were proposed to be applied on a mandatory basis and KSSB 101 to be non-mandatory.</p>
---------------------------------------	--

Date when requirements are proposed to become effective	To be determined.
Reporting entities	To be determined.
Required or permitted	To be determined. Following the release of final KSDS, the FSC will consider the application of KSDS by listed entities.
Focus	Existing and potential investors, lenders and other creditors.
Scope of sustainability-related risks and opportunities on which entities must report	The proposed KSDS are designed to take a 'climate-first approach', prioritising mandatory disclosure of climate-related risks and opportunities that could reasonably be expected to affect an entity's prospects Disclosures of information about other sustainability-related matters would be voluntary.
Materiality filter for disclosures	Disclosures under proposed KSDS are subject to materiality. The definition of 'material information' is consistent with ISSB Standards.
Timing, location and reporting entity	Time of reporting and location: to be determined. The exposure drafts of proposed KSDS proposed alignment with ISSB Standards with respect to timing and location. However, at the time the application of KSDS by listed entities becomes mandatory, timing and location of reporting would be determined by regulation. The exposure drafts of proposed KSDS proposed allowing an exception for timing and location to align with requirements of law or regulation. Reporting entities: proposed to be the same as for the related financial statements.
Extension of transition reliefs	To be determined. The exposure drafts of proposed KSDS included proposed disclosures on greenhouse gas emissions that are consistent with the requirements in ISSB Standards. However, at the time the proposed KSDS were issued, the KSSB indicated that the decision regarding the proposed mandatory disclosure and timing of information about Scope 3 greenhouse emissions will be made after the KSSB reviews the feedback received during the consultation period and following discussions with the relevant government ministries.
Jurisdictional modifications from requirements in ISSB Standards	The exposure drafts of proposed KSDS do not require the disclosure of industry-based information (including metrics). However, they allow entities choosing to provide industry-based information to refer to and consider the applicability of the SASB Standards as a source of guidance.
Additional disclosure requirements	The exposure draft of proposed KSSB 101 would be a non-mandatory standard that addresses additional sustainability-related information required by domestic laws or to meet sustainability-related policy objectives.

	The exposure drafts of proposed KSDS require that any additional information, including that required to be disclosed under KSDS 101, shall not obscure the disclosures prepared in accordance with the requirements of KSDS 1 and KSDS 2. KSDS 101 requires that disclosures prepared under KSDS 101 should be clearly distinguished from those prepared under KSDS 1 and KSDS 2.
Assurance requirements	To be determined.
Further information	Not applicable.
Relevant document(s)	Press Release: Authorities Meet to Discuss ESG Disclosure Standards KSDS Exposure Drafts KSDS ED: KSSB published the Exposure Draft of the Sustainability Disclosure Standards