



2023

World Standard-setters Conference

#WSS2023

**Better information
for better decisions**

**International perspectives
on the application of the
ISSB Standards**



Presenters and panellists



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Agenda

- 1** IFRS Foundation strategy to support jurisdictional adoption of IFRS S1 and IFRS S2
- 2** Panel discussion on the international perspectives on the application of the Standards

IFRS Foundation strategy to support jurisdictional adoption of IFRS S1 and IFRS S2



Making ISSB Standards the global baseline



ISSB

provide comprehensive global baseline through Standards



IOSCO

endorses the ISSB Standards recommending adoption



Audit standard-setters

enhance and develop assurance standards



Jurisdictions

require by adopting the Standards



Market participants

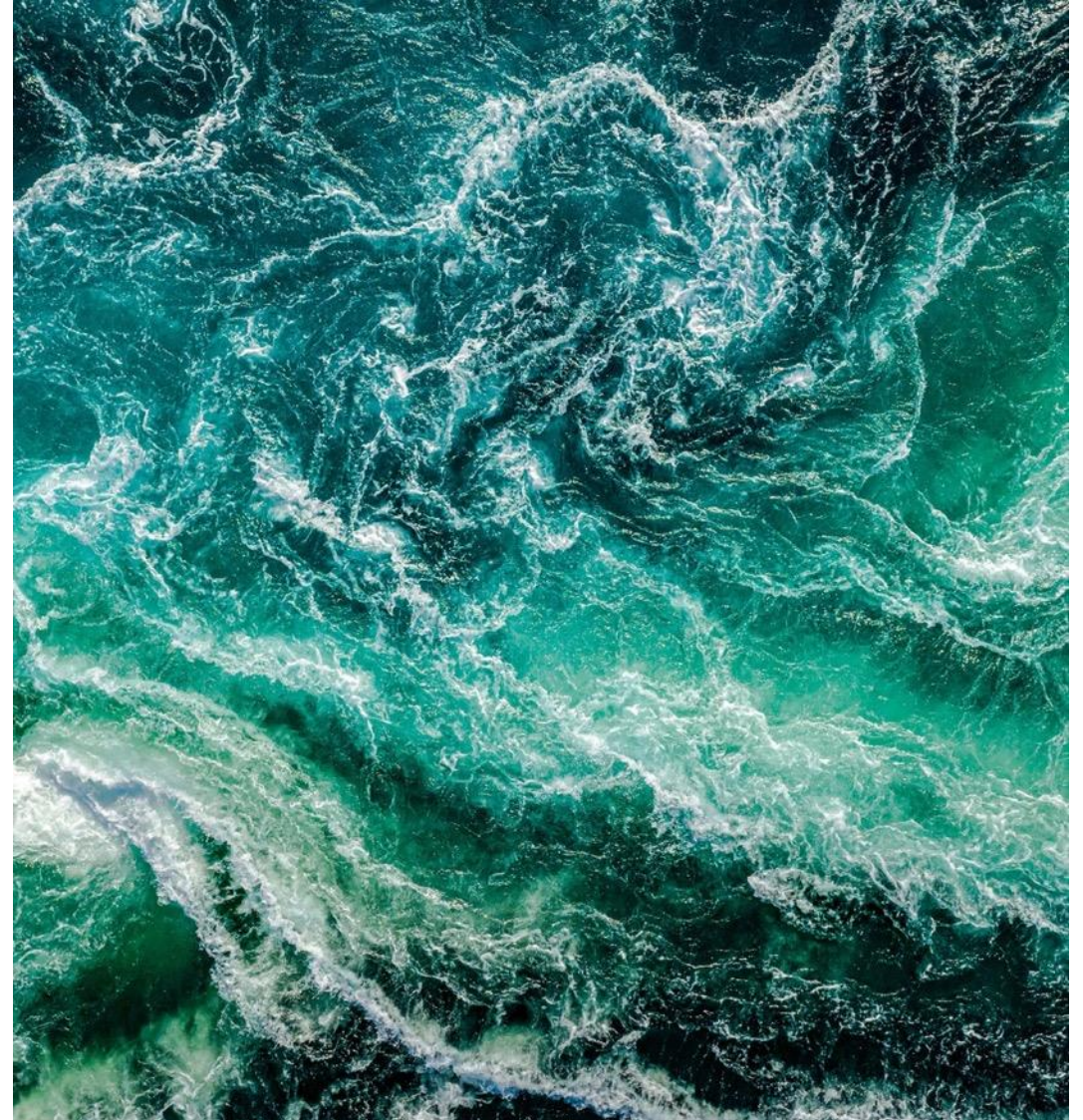
voluntarily opt to apply the Standards

Strong market demand

The ISSB was established as part of the IFRS Foundation because of investor, company and international policy maker (including the G20, G7, IOSCO and the Financial Stability Board) demand for:

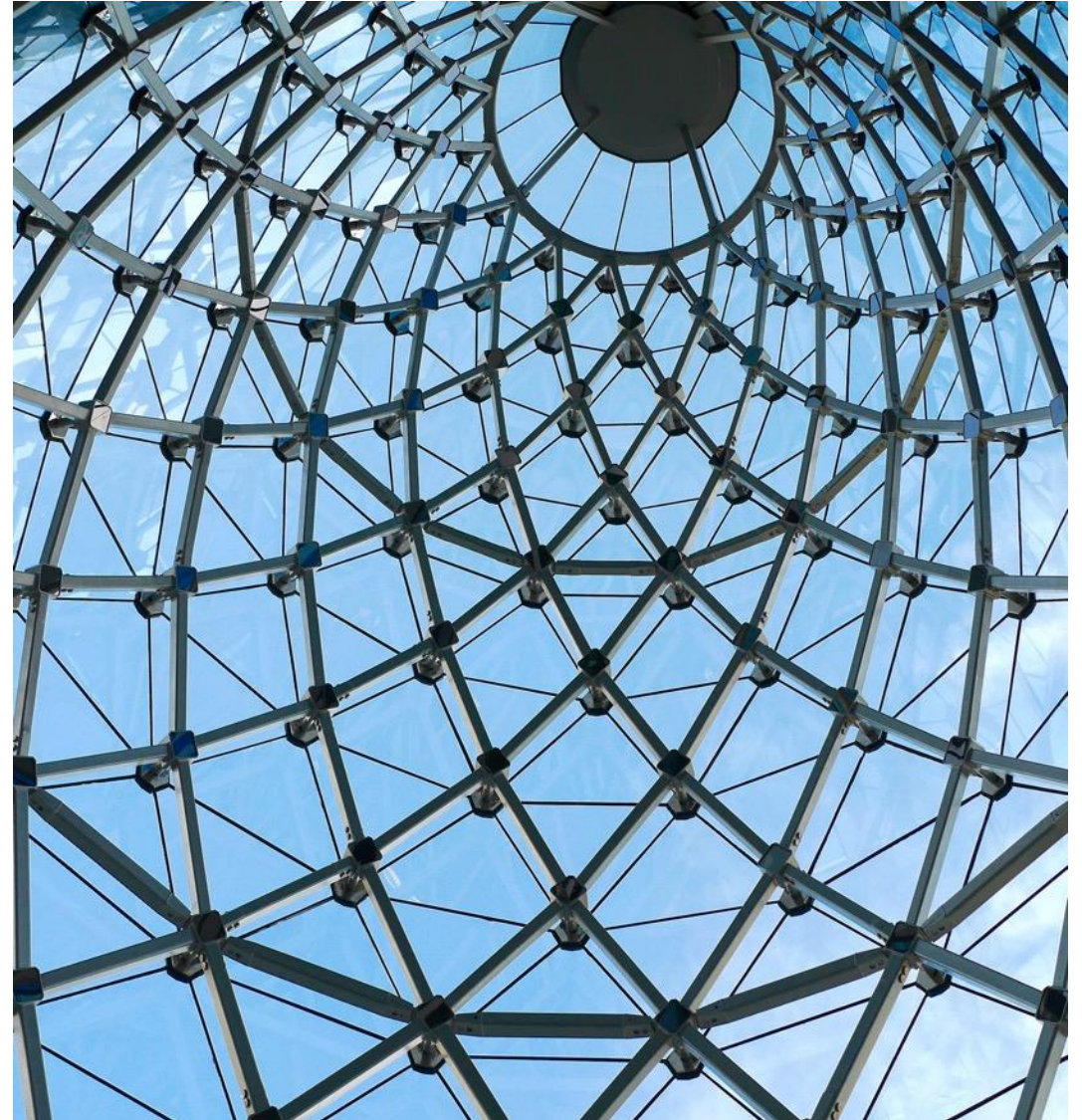
- decision-useful, comparable information
- ending the ‘alphabet soup’ of voluntary initiatives
- an efficient reporting landscape

The ISSB has a transparent, rigorous due process to develop market-informed Standards that respond to these needs



The journey towards implementation of IFRS S1 and IFRS S2

- The ISSB acknowledges the significant **change management exercise** for preparers and regulators and has balanced the initial implementation challenges preparers could face with investors' information needs
- **Benefits** of implementation to **outweigh the costs** by reducing fragmentation, promoting transparency and comparability and streamlining process for preparers
- ISSB adopting a **four-pillar strategy** to balance these considerations



IOSCO's endorsement - catalyst for jurisdictional adoption

- **Called on its 130 member jurisdictions** to consider ways in which they might adopt, apply or otherwise be informed by the ISSB Standards
- Sends a strong signal that the ISSB Standards are **fit for purpose** for capital market use
- **Historic milestone**, the only other precedent of IOSCO's endorsement was the endorsement of IFRS Accounting Standards over 20 years ago
- Particularly **Global South** jurisdictions can leverage on IOSCO's work



Four-pillar strategy to support adoption and use of ISSB Standards

Proportionality and guidance
built into
IFRS S1 and IFRS S2

Transition reliefs – with possibility of
jurisdictional extensions

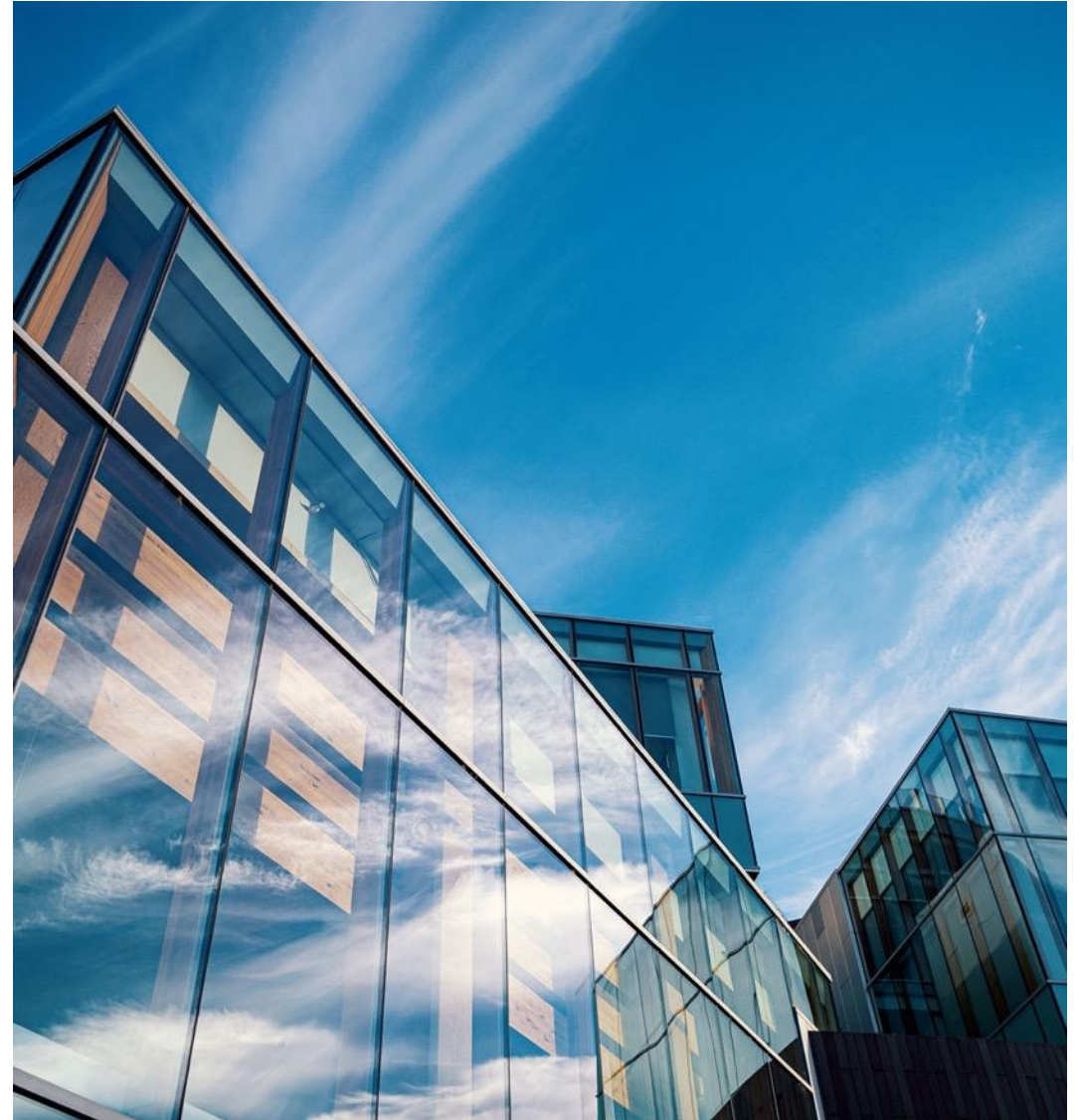
**Adoption strategy of
ISSB Standards**

Adoption Guide
to support
scalability and jurisdictional phasing in

Additional support –
including Capacity Building
for industry and jurisdictions

Potential for jurisdictions to the extend current reliefs for first year of application

- Can limit disclosures to climate-related information
- Later reporting allowed - annual information can be provided with half year reporting
- Scope 3 disclosure not required
- Do not need to apply Greenhouse Gas Protocol if already using a different measurement approach
- Do not need to provide comparative information



IFRS S2 needs to be applied with IFRS S1

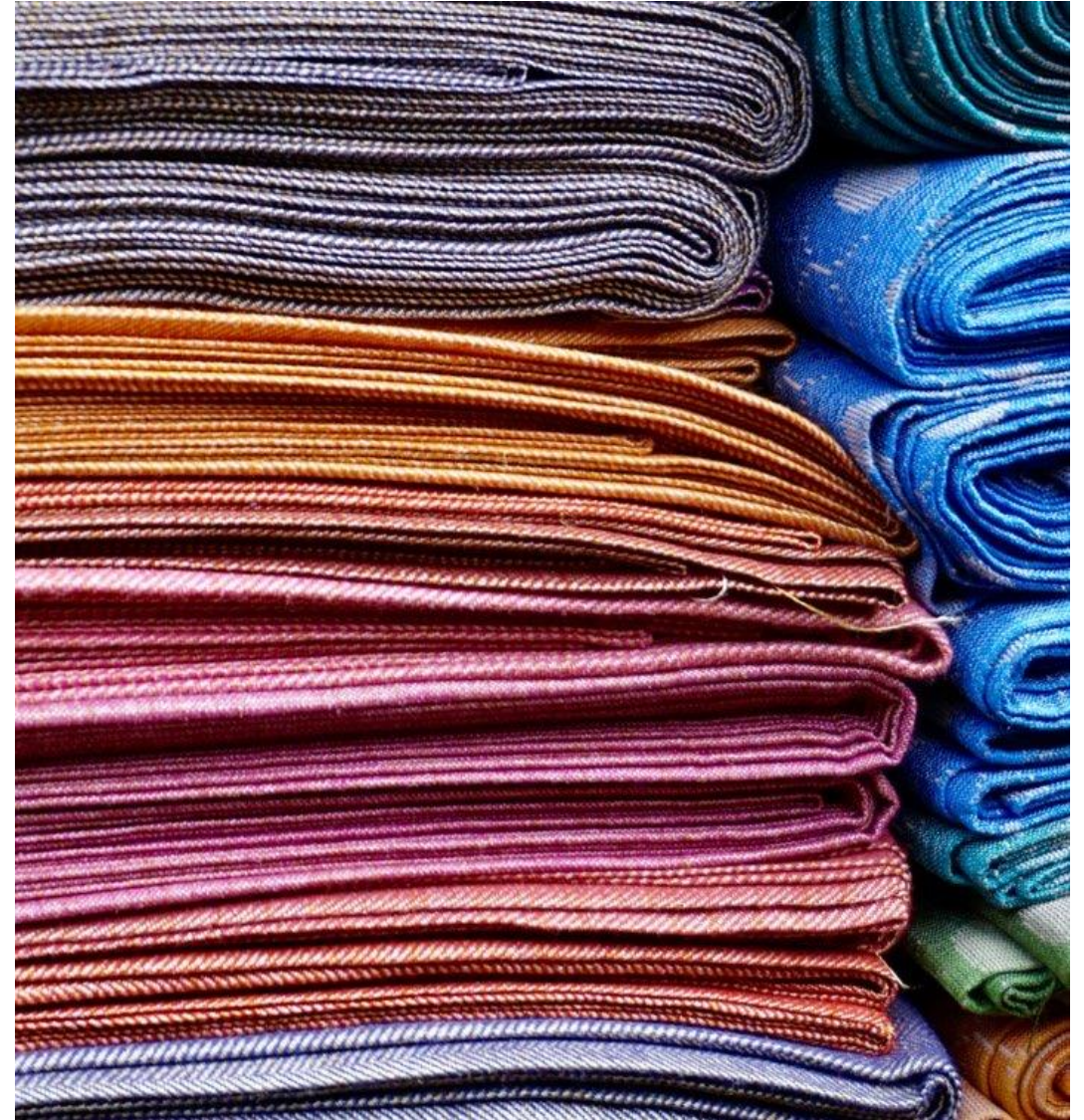
IFRS S1:

- establishes **key concepts** such as connected information, value chains, and which sustainability- and climate-related risks and opportunities to report on
- provides vital guidance on the **assessment of materiality**
- sets out the **qualitative characteristics** of the information to be provided, eg that it needs to be relevant and represented faithfully
- sets out **requirements** for reporting, such as:
 - the reporting entity
 - timing and location of reporting
 - connections and comparatives in reporting
- sets out how to deal with changes in estimates and errors, disclosures on judgements, assumptions and estimates, requirements on when to aggregate and disaggregate information, focussed exemptions from disclosing commercially sensitive opportunities, and the interaction with law and regulation

Objectives of the Jurisdictional Adoption Guide

for IFRS S1 and IFRS S2 to be widely applied

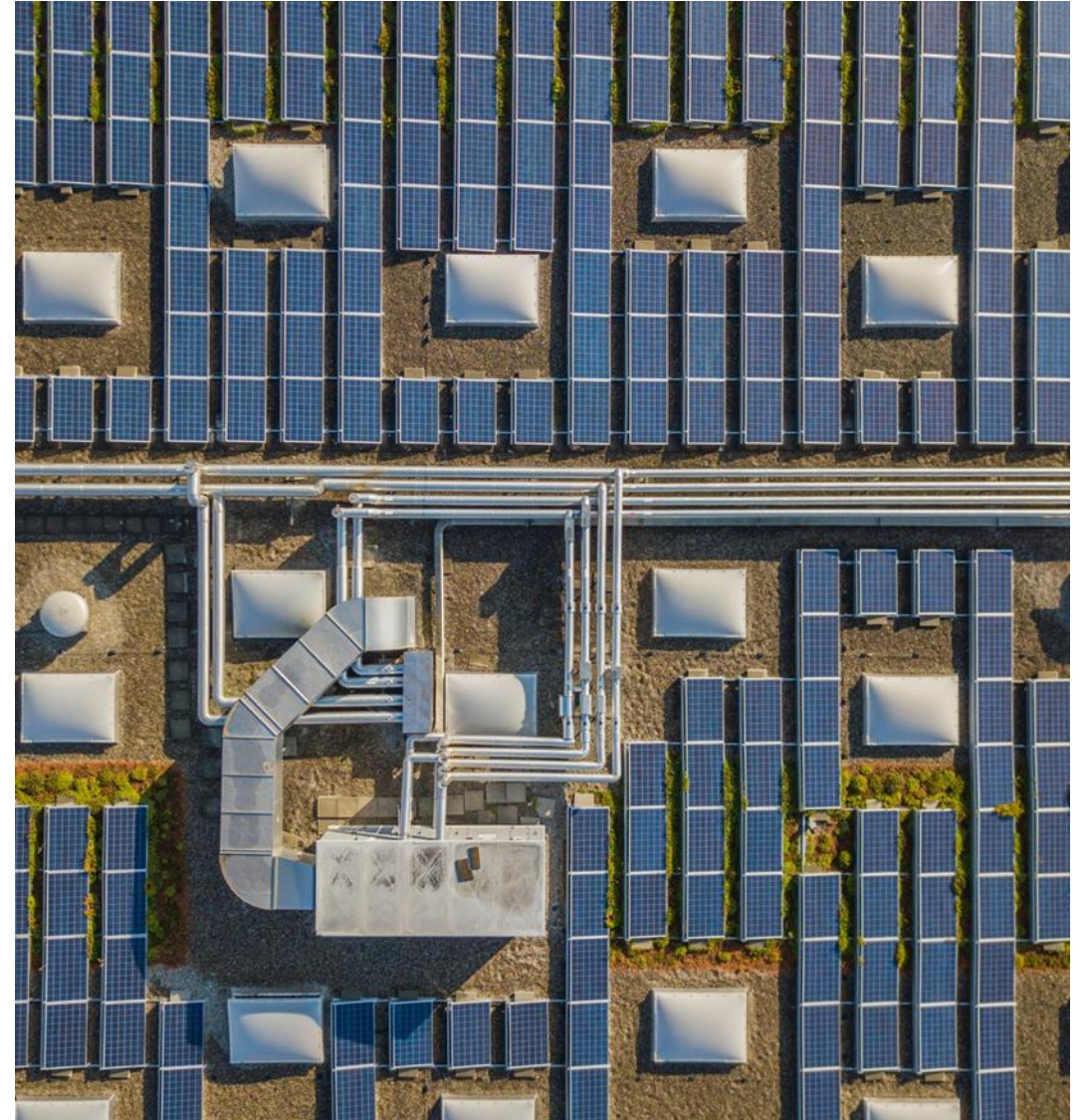
- Facilitate **consistent adoption approaches** while supporting jurisdictions in **transitioning to full application** of IFRS S1 and IFRS S2
- Balance jurisdictional considerations about phasing-in of requirements with the need to achieve **global consistency and comparability**
- **Set expectations** on scope of application of requirements and pace for introduction of requirements
- **Support regulators** in their adoption considerations and **facilitate monitoring across jurisdictions**
- **Develop principles** for assessing jurisdictional adoption of ISSB Standards



The Jurisdictional Adoption Guide: supporting scalability and jurisdictional phasing in

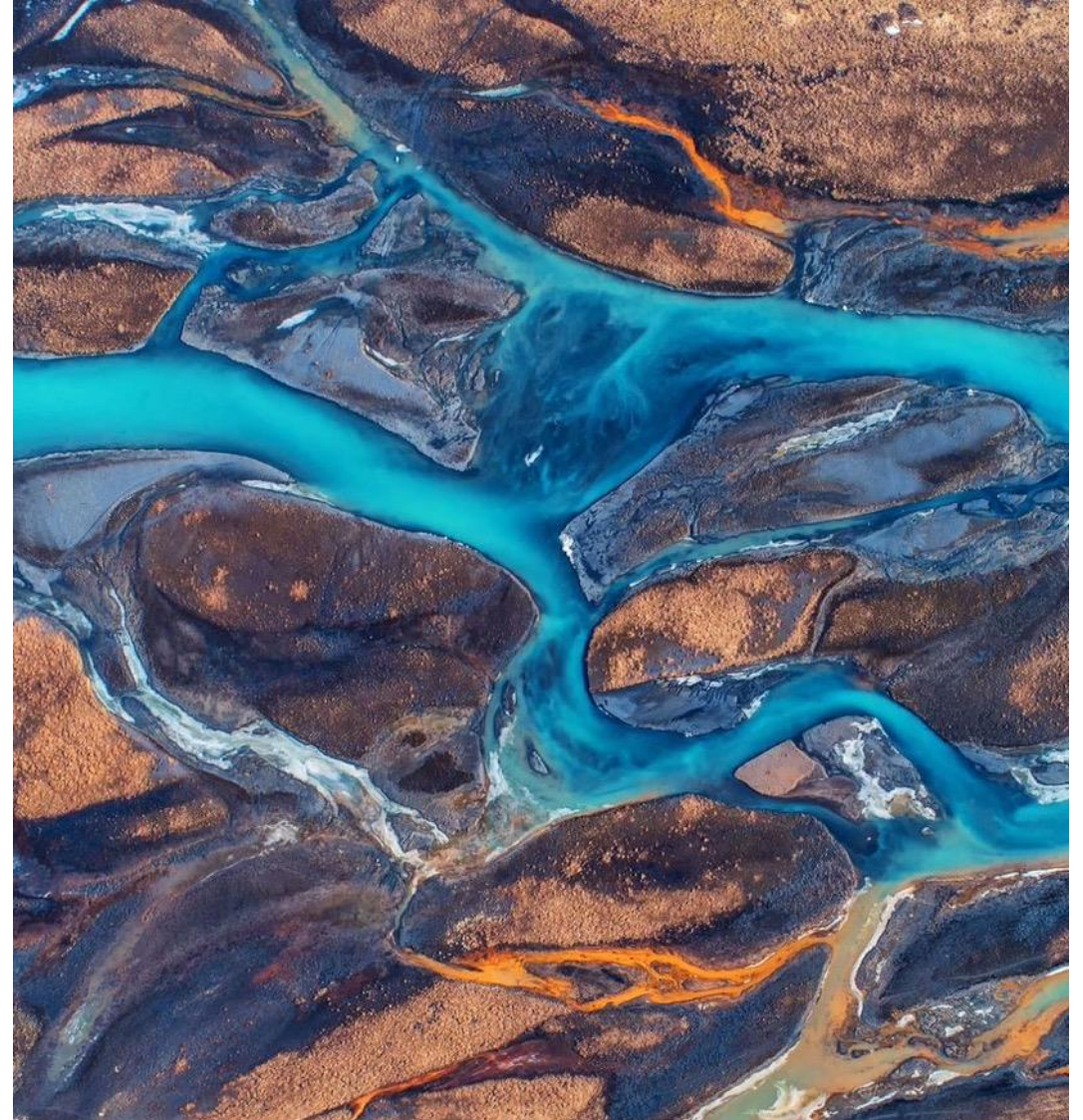
- Focus on Publicly Accountable Entities (PAEs)
- Phase-in of application to different PAEs (focus on the largest first)

[High-level roadmap](#) (as a precursor to the Adoption Guide itself) provides information on how the IFRS Foundation and the ISSB are approaching adoption considerations



Support for those using the Standards

- Capacity building programme for industry and jurisdictional regulators
- Transition Implementation Group (TIG)
- Monitor market experience, with possible enhancements to guidance and additional educational materials



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