

MEDIA RELEASE

Madrid, March 4, 2024

The IFRS Foundation Monitoring Board reaffirmed the importance of ongoing oversight of the standard-setting activities and governance of the IFRS Foundation

During last week's meeting of the IFRS Foundation Monitoring Board in Madrid, Spain, the Monitoring Board discussed the activities of the Trustees of the IFRS Foundation, including their oversight responsibilities of the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB). The meeting was joined by the members of the Trustees of the IFRS Foundation under the leadership of Erkki Liikanen, Chair of the Trustees, and also Andreas Barckow, Chair of the IASB, and Emmanuel Faber, Chair of the ISSB.

The Monitoring Board was informed of the ongoing activities of the IFRS Foundation under the new 'Two Standard Setting Boards (SSBs) under One Foundation' model. In response, the Monitoring Board continued to convey its expectations on:

- connectivity between the financial statements and sustainability-related disclosures, while ensuring mutual independence and balanced resource allocation for their standard setting process. In this context, the Monitoring Board welcomed the progress made by the IFRS Foundation, including the first joint meeting of the IASB and ISSB in January 2024;
- further exploration of effective functioning of the multi-location model¹ to maximize the potentials of the two SSBs under the leadership of the Trustees of the IFRS Foundation.
- stable and diversified funding to support the work of the two SSBs.

As for the activities of each SSB, the Monitoring Board reiterated the equal importance of the work of both the IASB and ISSB.

The Monitoring Board recognized significant efforts made by the IFRS Foundation to support the implementation of the ISSB Standards, including the publication of the Preview of the Inaugural Adoption Guide in February 2024. The Monitoring Board members unanimously called for the IFRS Foundation to continue the constructive and close discussions with the regulators to continue progress toward the shared goal of the global framework for sustainability-related financial information by having jurisdictions adopt, apply or be informed by the ISSB standards.

The Monitoring Board also appreciated that the strategic directions of both the IASB and ISSB are under consideration: the IASB is reviewing its strategy for the next decade, while the ISSB is discussing the next priorities following a Request for Information which was issued to stakeholders. The Monitoring Board will continue to engage with the Trustees on these matters.

The Monitoring Board reconfirmed that ensuring robust due process is the core function of the IFRS Foundation and encouraged continued efforts in this area.

¹ The ISSB operates a multi-location model to ensure proximity and market relevance across the world. The IFRS Foundation has a multi-location footprint with offices in Frankfurt, London, Montreal, Tokyo, Beijing and San Francisco.

Finally, the Monitoring Board completed its periodic review of existing members against the agreed membership criteria in its Charter². The Monitoring Board concluded that no member had been found non-compliant with the criteria. The Monitoring Board will conduct a further review in five years' time.

Takashi Nagaoka, Chairman of the IFRS Monitoring Board and Deputy Commissioner for International Affairs of Japan Financial Services Agency said:

“As Monitoring Board Chair, I am proud to host a joint meeting together with the Chair of the IFRS Foundation Trustees, providing an opportunity for the Monitoring Board members to have a dialogue with the Foundation at this critical moment for the consideration of the ways forward to implement the ISSB Standards as well as the strategic directions of the IASB and ISSB.

On behalf of my fellow Monitoring Board members, I would like to express my gratitude to Lee White, outgoing Managing Director of the IFRS Foundation, who has served for six years as a critical hub connecting the activities of the Foundation to the varied stakeholders including the Monitoring Board. I also thank Erkki Liikanen, the Chair of the Trustees, for his great leadership in steering the Foundation and congratulate him on his reappointment to serve a third term.”

About the IFRS Foundation Monitoring Board

The Monitoring Board was created in 2009 with the aim of overseeing the IFRS Foundation, whose Trustees in turn exercise oversight over the IASB (International Accounting Standards Board) and the ISSB (International Sustainability Standards Board).

The members of the Monitoring Board are the Board of the International Organization of Securities Commissions (IOSCO), the IOSCO Growth and Emerging Markets Committee, the Financial Services Agency of Japan (JFSA), the European Commission, the US Securities and Exchange Commission (SEC), the Comissão de Valores Mobiliários (CVM) of Brazil, the Financial Services Commission (FSC) of Korea, the Ministry of Finance of the People's Republic of China and the Financial Conduct Authority (FCA) of the United Kingdom.

The Basel Committee on Banking Supervision (BCBS) is an observer.

Through the Monitoring Board, capital markets authorities responsible for setting the form and content of financial reporting in their respective jurisdictions are able to carry out more effectively their mandates regarding investor protection, market integrity and capital formation.

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² The Charter of the Monitoring Board is available via: https://www.iosco.org/about/monitoring_board/pdf/Charter-of-the-IFRSF-Monitoring-Board-2023.pdf