



Taking steps for a new impetus

Report from the Chair of the IFRS Foundation Monitoring Board



Jean-Paul Servais

Covid-19 has also affected the work of the Foundation and the International Accounting Standards Board, challenging their plans and requiring a reprioritisation of their respective agendas. I would like to commend the Trustees and the Board for actively monitoring related developments and for responding effectively to these challenges, both operational and in standard-setting. Despite these challenges, the Foundation and the Board have continued to make progress on their work plans and delivered on key priorities without major disruptions, while also providing sufficient flexibility for extending the timelines of some projects to allow for more stakeholder engagement and responding to the financial reporting challenges of their constituents.

project with the Trustees before they determine additional steps. The Monitoring Board's engagement was noted in the consultation paper and the Monitoring Board will act accordingly.

The Monitoring Board continued to engage in the nominations process for the appointment of new Trustees to the Foundation, approving the nomination of four new Trustees. On behalf of the Monitoring Board, I would like to thank Alan Beller and Takafumi Sato, Trustee Vice-Chairs, whose terms expired in December 2020, for their leadership and outstanding contributions to the Foundation over the last few years. I would also like to welcome Teresa Ko and Larry Leva in their new roles as Trustee Vice-Chairs. We look forward to continuing our excellent dialogue with the Trustees in 2021.

The year 2020 presented unexpected and unprecedented global challenges for society. The uncertainties caused by the covid-19 pandemic have also tested the resilience of our capital markets and the global financial system and affected most industries and organisations around the world.

The enduring pandemic underscores the critical importance of a timely flow of high-quality, material and reliable information to help investors identify opportunities and risks across the world, thus improving capital allocation. Consistent application of high-quality accounting standards is essential for effective, fair and transparent capital markets.

Against this backdrop, the Monitoring Board reiterates its commitment to the public interest oversight of the IFRS Foundation and to the Trustees' work to promote the development of a single set of high-quality, comprehensible, enforceable and globally accepted financial reporting standards.

2020 developments

One major achievement in 2020 was the publication of the revised *Due Process Handbook*, which enhances and clarifies aspects of the due process applied by the Board and the IFRS Interpretations Committee. The review was a key focus area for the Monitoring Board, and the Monitoring Board thanks the Trustees for being receptive to its input.

Another significant development was the publication by the Trustees of a consultation paper on sustainability reporting, exploring whether there is a need for global sustainability reporting standards, whether the Foundation should play a role in this area and, if so, what the scope of this role should be. Since the publication of the consultation paper, the Trustees have engaged in extensive outreach. By the close of the comment period, the Foundation had received over 550 responses from stakeholders. The Monitoring Board, which has established a dedicated working group, has expressed its intention to closely engage on this

Board Chair succession

One major development in 2020 was the appointment of Andreas Barckow as the next Chair of the Board. He will start in July 2021, succeeding Hans Hoogervorst. The Monitoring Board welcomes Andreas, who has all the credentials to lead the Board into the future, and looks forward to working with him to meet our shared goals.

While we look forward to continuing our excellent working relationship with Hans in the first half of 2021, the Monitoring Board would like to acknowledge his distinguished leadership and landmark contribution to the Board over the last decade, including his excellent communication skills. Under Hans's leadership, the Board has undertaken a major overhaul of IFRS Standards, completing major projects on key standards such as IFRS 9 *Financial Instruments*, IFRS 15 *Revenue from Contracts with Customers*, IFRS 16 *Leases* and IFRS 17 *Insurance Contracts*.



It has updated the *Conceptual Framework for Financial Reporting*, among other important projects. IFRS Standards are globally recognised as high-quality global financial reporting standards as reflected by the fact that currently over 140 jurisdictions require use of the Standards. The Monitoring Board wishes to thank Hans for his availability to the Monitoring Board and for his commitment to the public interest, which is key to Monitoring Board members.

Thank you

Finally, I would like to express my gratitude to the Monitoring Board members, our Deputies Working Group and the Secretariat for their continuous support and commitment. The Monitoring Board looks forward to continuing to work closely with the Trustees and the Board as they shape their future direction and with global stakeholders to support our common objective of high-quality financial reporting.

Jean-Paul Servais

More information about the Monitoring Board can be found at www.ifrs.org/groups/ifrs-foundation-monitoring-board.

IFRS Foundation Monitoring Board

As at 31 December 2020

Chair

Public authority	Member	Position
IOSCO	Jean-Paul Servais	Chair of the Belgian Financial Services and Markets Authority and representative of the IOSCO Board (Vice-Chair)

Members

Public authority	Member	Position
Brazil Securities and Exchange Commission (Comissão de Valores Mobiliários)	Marcelo Barbosa	Chair
European Commission	Valdis Dombrovskis	Vice-President for the Euro and Social Dialogue, also in charge of Financial Stability, Financial Services and Capital Markets Union
IOSCO	Ünal Eryilmaz	Board member of the Capital Markets Board of Turkey and representative of the IOSCO Growth and Emerging Markets Committee
Japan Financial Services Agency	Tokio Morita	Vice Minister for International Affairs
People's Republic of China Ministry of Finance	Cheng Lihua	Vice Minister
South Korea Financial Services Commission	JongKu Choi	Chair
United States Securities and Exchange Commission	Jay Clayton *	Chair

Observers

Public authority	Member	Position
Argentina Securities and Exchange Commission (Comisión Nacional de Valores)	Marcos Ayerra	Chair and representative of the IOSCO Inter-American Regional Committee (Chair)
Basel Committee on Banking Supervision	Fernando Vargas	Representative
South Africa Financial Sector Conduct Authority	Jurgen Boyd	Deputy Executive Officer and representative of the IOSCO Africa and Middle-East Regional Committee

* Jay Clayton stepped down from the SEC in December 2020 and was replaced by Allison Herren-Lee in January 2021 when she became Acting Chair.