



REPORT FROM THE CHAIR OF THE IFRS FOUNDATION MONITORING BOARD
JEAN-PAUL SERVAIS

A COMPREHENSIVE APPROACH FOR CORPORATE REPORTING IN THE PUBLIC INTEREST

2021 has been a landmark year for the IFRS Foundation with the establishment of the International Sustainability Standards Board (ISSB), whose remit is to develop standards that encompass a comprehensive global baseline of high-quality sustainability disclosures for the benefit of investors and the capital markets. As highlighted at COP26 in Glasgow in November 2021, the establishment of the ISSB is a response to the increased interest by investors, regulators and companies advocating for greater consistency and comparability in sustainability disclosures globally.

With the ISSB sitting alongside the IASB under the umbrella of the IFRS Foundation, the boards will jointly play a critical role in promoting comprehensive, high-quality, globally accepted corporate

reporting standards. Having both boards under the oversight of the IFRS Foundation Trustees will facilitate close coordination and connectivity between financial reporting and sustainability disclosures.

EXTENSIVE FEEDBACK

The creation of the ISSB followed an extensive consultation in 2020 and 2021, spanning strategic, technical and organisational topics. The breadth and depth of the feedback from a wide array of stakeholders demonstrated the desire for a global baseline of sustainability disclosure standards and underscored strong support for the IFRS Foundation to play a central role in delivering such standards. The feedback also highlighted the critical importance of the IFRS Foundation governance, its public interest role, and its accountability to public authorities.

These developments resulted in changes to the IFRS Foundation *Constitution* that will not only extend the IFRS Foundation's standard-setting activities to global sustainability disclosure standards but will also bring a new impetus to the IFRS Foundation, with the consolidation of the Climate Disclosure Standards Board (CDSB) and the Value Reporting Foundation (VRF) with the IFRS Foundation.

In accordance with its mission, the Monitoring Board engaged extensively with the Trustees on this journey and has actively monitored progress that led to the formation of the ISSB and the appointment of Emmanuel Faber as the first ISSB Chair. The Monitoring Board's mandate will be extended to encompass the monitoring of the Trustees' oversight of the ISSB and it will continue to monitor

the effectiveness of the implementation of the constitutional changes, including the consolidation with CDSB and VRF, the multi-location approach and the appointment of the inaugural ISSB board. Critically, the Monitoring Board will ensure that IFRS Sustainability Disclosure Standards are equally responsive to the public interest and subject to the same robust governance, rigorous due process and oversight as are IFRS Accounting Standards.

IASB LEADERSHIP CHANGE

In 2021, we had the pleasure of welcoming Andreas Barckow as IASB Chair succeeding Hans Hoogervorst. Andreas joined at a critical juncture as the IASB was publicly consulting on its future agenda to set its priorities and work plan for 2022 to 2026. This work plan has also been a key focus area for the Monitoring Board and central to our engagement with the Trustees. We look forward to the outcome of this exercise.

Despite the challenges posed by the pandemic, we acknowledge the extensive standard-setting by the IASB with the work conducted on the Business Combinations Under Common Control, Goodwill and Impairment, Primary Financial Statements, the Disclosure Initiative, Management Commentary, and Review of the *IFRS for SMEs*[®] Standard projects. Consistent application of high-quality corporate reporting standards remains essential for the effective, fair and transparent operation of capital markets and we welcome the efforts made by Andreas, Hans and the IASB to closely engage with stakeholders globally. Stakeholders' feedback on several IASB proposals reiterated the need for close coordination between the IASB and the ISSB and we appreciate that the Trustees, together with the IASB and ISSB leadership, are already considering these matters.

I would also like to acknowledge our deep appreciation for Hans's leadership of the IASB in the last decade with significant

achievements made during his terms and the completion of a suite of major IFRS Accounting Standards.

STRONG WORKING RELATIONSHIPS

We look forward to continuing our excellent working relationship with Erkki Liikanen, the other Trustees and the IFRS Foundation's management and staff as well as with Andreas, with Emmanuel and with the IASB and ISSB leadership as they progress on their agendas to meet our common objective of achieving globally accepted, high-quality corporate reporting standards.

In the light of these important developments, 2021 has been a year of unprecedented activity within the IFRS Foundation ecosystem. I would like to conclude by expressing my deepest gratitude to my Monitoring Board colleagues and our teams for their ongoing support and material contributions throughout the year.

IFRS FOUNDATION MONITORING BOARD

AS AT 31 DECEMBER 2021

Public authority	Member	Position
Chair		
International Organization of Securities Commissions (IOSCO)	Jean-Paul Servais	Chair of the Belgian Financial Services and Markets Authority and representative of the IOSCO Board (Vice-Chair)
Members		
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 the Financial Stability, Financial Services and Capital Markets Union
IOSCO Growth and Emerging Markets Committee	Yusuf Kaya	Board Member of the Capital Markets Board of Turkey
Japan Financial Services Agency	Takashi Nagaoka	Deputy Commissioner for International Affairs
People's Republic of China Ministry of Finance	Zhu Zhongming	Vice Minister
South Korea Financial Services Commission	Myung Soon Lee	Standing Commissioner
United States Securities and Exchange Commission	Gary Gensler	Chair
Observers		
Basel Committee on Banking Supervision	Katherine Tilghman Hill	Accounting Experts Group (Chair). Representative of the Basel Committee on Banking Supervision
IOSCO European Regional Committee	Gabriel Bernardino	Comissão do Mercado de Valores Mobiliários, Portugal (Chair). Representative of the IOSCO European Regional Committee

More information about the Monitoring Board can be found at https://www.iosco.org/about/?subsection=monitoring_board