



Report from the Chair of the IFRS Foundation Monitoring Board

Engagement for better disclosure in the public interest

Throughout 2023 the IFRS Foundation addressed important issues to ensure that the information provided to the capital markets through corporate disclosure is relevant and decision-useful for investors.

To this end, in coordination with the Trustees of the IFRS Foundation, the Monitoring Board has overseen the governance and process of standard-setting at the Foundation from the public interest point of view. I would like to take this opportunity to pay tribute to the consistent and proactive endeavours of the Trustees as well as those of the leadership and staff of the IASB and the ISSB.

High-quality standard-setting

The creation of the ISSB in 2021 represented a major change for the Foundation. Accordingly, the Monitoring Board updated the Memorandum of Understanding with the Trustees to reflect the Foundation's expanded role.

After two years of intensive work, in June 2023 the ISSB issued its first IFRS Sustainability Disclosure Standards, IFRS S1 and IFRS S2, which were later endorsed by IOSCO. Having achieved this important milestone, the next phase for the ISSB is to advance jurisdictional consideration to adopt, apply or otherwise be informed by IFRS Sustainability Disclosure Standards to promote consistent and comparable information for investors.

In May 2023 the ISSB sought feedback on the priorities for its two-year work plan commencing in 2024. As the ISSB considers its future priorities, the Monitoring Board discussed the expectations for moving beyond climate and into other sustainability topics, including other environmental and social topics.

These ISSB initiatives are expected to improve transparency and comparability of information in the global capital markets, thereby meeting the needs of investors. The Monitoring Board continues to collaborate with the Trustees to ensure that the work to support implementation of IFRS S1 and IFRS S2 and the development of the ISSB's work plan follow the same robust governance and due process as for IFRS Accounting Standards. In this context, it is essential to its success that the ISSB engages proactively with relevant stakeholders, including jurisdictions.

At the same time, the Monitoring Board highlights the continued importance of the work of the IASB, standing side by side with the ISSB under the new structure of the Foundation. The Monitoring Board welcomes the progress made by the IASB in developing IFRS Accounting Standards in a wide range of areas, with projects including Primary Financial Statements and Business Combinations—Disclosures, Goodwill and Impairment. The Monitoring Board also appreciates the collaboration under way between the IASB and the ISSB to facilitate connectivity between financial statements and sustainability-related financial disclosures.



Takashi Nagaoka



Report from the Chair of the IFRS Foundation Monitoring Board continued

The Monitoring Board highlights the importance of the work of the IASB, standing side by side with the ISSB, under the Foundation.

Nominations and due process

Essential to the work of both the IASB and the ISSB is that they have the right people to support them as Trustees as well as to lead the respective boards.

In this context, the Monitoring Board approved the appointments of new Trustees and the reappointments of Trustees who had reached the end of their terms. I would like to thank the Trustees who have completed their mandates for their past contributions, and I look forward to working with the new Trustees. The Monitoring Board supported the reappointment of the ISSB Chair, and reaffirmed the importance of the continuity and stability his reappointment brings to the ISSB at this important juncture.

The Monitoring Board welcomes the ongoing work of the Trustees to update the *Due Process Handbook* following the formation of the ISSB, and will continue to monitor this work to ensure it proceeds effectively, providing a solid basis for the proper functioning of both boards.

Takashi Nagaoka

Chair of the IFRS Foundation Monitoring Board

Thank you



I would like to express my deep respect to Jean-Paul Servais, who served as Chair of the Monitoring Board for six years until March 2023, and who made significant contributions in the public interest. I am proud to succeed him in this important role. Notably, in 2023 we welcomed the Financial Conduct Authority of the United Kingdom as a new member—an important step in making our membership more inclusive.

Finally, I would like to express my appreciation to the principals, deputies and secretariat of the Monitoring Board for their continued support for and commitment to the activities of the Monitoring Board.

The Monitoring Board will continue to support the Trustees and the two boards in setting the strategic direction for their future work to achieve our shared objective—ensuring the provision of high-quality financial and sustainability information that is useful to stakeholders in the world's capital markets.

