

Public summary of the International Sustainability Standards Board (ISSB) Jurisdictional Working Group Meeting held on 18 July 2022

Participants on behalf of the IFRS Foundation:

- Emmanuel Faber ISSB Chair
- Sue Lloyd ISSB Vice-Chair
- Lee White IFRS Foundation Executive Director

Participating jurisdictions and jurisdictional institutions

- China
 - Chinese Ministry of Finance
- Europe
 - European Commission
 - European Financial Reporting Advisory Group (EFRAG)
- Japan
 - Financial Services Agency of Japan
 - Sustainability Standards Board of Japan
- United Kingdom
 - Financial Conduct Authority
 - Financial Reporting Council
- United States
 - Securities and Exchange Commission (SEC)

Observer(s)

- IOSCO

Meeting summary

In the ISSB Jurisdictional Working Group Meeting on 18 July participants discussed:

- Feedback from stakeholders on the ISSB's Exposure Drafts;
- Ongoing bilateral engagements between participants to identify differences between current proposals with a view to achieving greater interoperability; and
- Next steps for the Jurisdictional Working Group.

Jurisdictional participants raised the following themes in relation to the ISSB's Exposure Drafts on General Requirements and Climate-Related Disclosures, emphasising the importance of:

- Achieving interoperability between proposed reporting standards. Interoperable global standards are key for capital markets.
- Connectivity between sustainability-related reporting and financial reporting with further clarification on how sustainability-related disclosures connect with the financial statements.
- Enhancing the inclusiveness of global standards for emerging economies and smaller companies, including appropriate arrangements to phase in IFRS Sustainability Disclosure Standards.
- The need to consider national protocols, for example on the measurement and disclosure of Greenhouse gases.
- Considering the applicability of industry classification to be applied globally and how industry specific metrics can be implemented proportionately.

Representatives of the ISSB acknowledged the consistency in the feedback received from participants with the feedback that has been received during the overall outreach on the Exposure Drafts.

The representatives from the United States, the European Union and the ISSB updated participants on bilateral engagements between the European Union and the ISSB and the United States and the ISSB to discuss how to achieve greater interoperability between their respective approaches.

Other participants reiterated the importance of a global baseline that can serve both jurisdictions and market participants. Specifically, participants:

- Acknowledged that a lack of interoperability between sustainability-related reporting regimes in different jurisdictions will be costly for preparers and risk failing to provide clear and consistent information to investors.
- Emphasised the importance of allowing investors to clearly identify information relevant to them and information relevant to a broader set of stakeholders, so that material information for investors is not obscured.
- Highlighted that future work also needs to consider to a greater extent the consistency of the use of terms across major proposals.

The continued urgency for participants to continue to engage on achieving further interoperability with a view to enhancing the usefulness of a global baseline was reiterated. Participants acknowledged there is specific urgency in relation to the ISSB working with the European Union on achieving greater alignment given the timelines to advance standard-setting due to the legal requirements of the Corporate Sustainability Reporting Directive.

ISSB representatives thanked participants for their valuable feedback for the ISSB to consider and highlighted the value of the work of the group at and in between meetings. It was agreed that bilateral engagements would continue, and a Jurisdictional Working Group meeting would be arranged for September 2022.