

NSS Sustainability Forum: Terms of Reference

Purpose

1. The purpose of the National Standard-Setters (NSS) Sustainability Forum (“the Forum”) is to develop an understanding of connectivity issues between IFRS Accounting Standards and IFRS Sustainability Disclosure Standards, consider possible solutions that would address the stakeholder needs for connectivity between information presented in companies’ sustainability reports and financial reports, and share them with ISSB and IASB as they develop high quality international standards.
2. The Forum will:
 - a) identify areas of disconnect, inconsistency or conflict between IFRS Accounting Standards and IFRS Sustainability Disclosure Standards;
 - b) identify potential opportunities for alignment as well as any best practice already being undertaken within the NSS’s respective jurisdictions;
 - c) develop proposals for how the ISSB and/or IASB standards could be adapted to ensure connectivity, consistency or alignment for the benefit of stakeholders;
 - d) identify areas where further guidance related to connectivity, rather than standard setting, may be more appropriate to address stakeholders’ needs in the jurisdiction;
 - e) develop an understanding of how the proposed IFRS Sustainability Disclosure Standards will be implemented in practice by entities within the members’ jurisdictions; and,
 - f) prepare papers examining specific connectivity issues and considering potential solutions, for discussion at international meetings of other global NSS, including via discussion at the International Forum of Accounting Standard Setters (IFASS).

IFRS Foundation Objectives

3. The IFRS Foundation' objectives are:
 - to develop, through the IASB and the ISSB, in the public interest, high quality, understandable, enforceable and globally accepted standards (IFRS Standards) for general purpose financial reporting based on clearly articulated principles;
 - to promote the use and rigorous application of IFRS Standards; and
 - to promote and facilitate the adoption of IFRS Standards through the convergence of national and regional standards and IFRS Standards.
4. The IASB and ISSB's complementary sets of IFRS Accounting Standards and IFRS Sustainability Disclosure Standards are intended to result in the provision of high-quality, transparent and comparable information in financial statements and in sustainability disclosures that is useful to investors and other participants in the world's capital markets in making economic decisions.

NSS Sustainability Forum Objectives

5. The objective of the Forum is to provide an advisory forum where members can constructively contribute towards the achievement of the IFRS Foundation's goal of developing globally accepted high-quality understandable, enforceable and globally accepted accounting and sustainability disclosure standards.
6. More particularly the Forum is established:
 - to streamline the collective engagement of the community of NSS and input on major technical connectivity issues related to the overlap between IFRS Accounting Standards and IFRS Sustainability Disclosure Standards;
 - to facilitate effective technical discussions on standard-setting issues, primarily on the connectivity between the IASB and ISSB's draft standards and work plan but which may include other issues that have major implications for the ISSB's work, in sufficient depth, with representatives at a high level of professional capability and with a significant knowledge of their jurisdictions/regions; and
 - To jointly work towards informing stakeholders of potential connectivity issues and solutions ahead of the ISSB RFI, expected in H1, 2023?

Organisational Structure and Working Mechanisms

Chair

7. The Chair of the Forum will be the Technical Director of the UKEB.
8. The Chair shall draw up the agenda, following consultation with the members, and structure the meetings in such a way as to ensure optimal and constructive discourse to achieve the Forum's objectives.

Membership

9. The Forum shall comprise the Technical Directors, or equivalent, of NSS with a particular interest in, or responsibility for, the overlap between IFRS Accounting Standards and IFRS Sustainability Disclosure Standards. Members are not appointed in their personal capacity.
10. The individual representatives of the Forum should be capable of providing technical expertise, experience and practical knowledge of accounting issues from within their jurisdiction/regions to enable them to contribute meaningfully to technical discussions and provide reliable and relevant technical advice.
11. Every Forum member shall be capable of, and willing to, allocate and commit necessary staffing and resources to meet the objectives of the Forum.
12. To ensure efficiency and continuity, there shall be a single designated representative for each member organisation. The single designated representative may delegate another member of his/her organisation with specialist expertise to represent the organisation in discussions on particular agenda items. Members may also be accompanied by their team, as observers with speaking rights.
13. The Chair shall have the discretion to invite a representative of a non-member NSS or regional body to attend and participate in Forum meetings, subject to any attendee having the technical expertise and capability to make a valuable contribution. Where possible, the Chair will endeavour to obtain the prior consensus of the meeting.
14. The Chair, with the agreement of the other members, may invite members of the IASB and the ISSB to attend meetings of the Forum to discuss specific agenda items.
15. Membership of the Forum is open to members of IFASS with an interest in connectivity between sustainability and accounting standards.

Meetings

16. Meetings shall normally be held virtually, via Teams, at a time no earlier than 6am and no later than 10pm for any participant.
17. Physical meetings, if attendance is possible for some or all of the members, will be held at the UKEB offices in London. The Chair and Forum members may agree to hold meetings in other locations e.g. in the margins of IFASS meetings held in a physical location.
18. All Forum meetings shall be held in private.
19. The Forum shall meet at least two weeks ahead of each IFASS meeting. Further meetings may be held, as required.
20. Travel and accommodation costs of attending Forum meetings shall be borne by the members attending the meeting.

Papers

21. The UKEB Secretariat shall prepare the proposed agenda for each meeting, in consultation with Forum members, to provide a summary of the key issues under consideration.
22. Supporting papers for the meetings will be prepared by members of the Forum. The agenda and the supporting papers shall be circulated in advance to ensure that Forum members are fully prepared, capable of actively participating in all discussions and work, and of providing constructive feedback on papers produced by other members of the Forum.
23. Papers prepared by members of the Forum, for the consideration of IFASS members and for discussion at a virtual or physical IFASS meeting, may, with the agreement of the Forum, be shared publicly by members at the meetings of their Board.
24. Papers drafted by the UKEB Secretariat will be presented at UKEB meetings, which are held in public. These papers will note the input of the Forum but will not attribute any specific comments to members without their prior agreement.
25. Views expressed by participants during meetings or in papers produced by members of the Forum will not be treated as the formal position of the organisation they are representing.
26. Similarly, papers prepared by the members of the Forum, either individually or collectively, do not need to reflect an agreed position. Papers submitted to IFASS by members of the Forum may include various viewpoints and options for discussion.