

Mr Emmanuel Faber
Chairman
International Sustainability Standards Board
IFRS Foundation
Opernplatz 14
60313 Frankfurt am Main
Germany

cc Andreas Barckow, IASB

11 October 2023

Dear Mr Faber

ISSB Consultation on Agenda Priorities

1. We, the cosignatories of this letter, were pleased to respond individually¹ regarding the ISSB Consultation on Agenda Priorities. We are all National Standard Setters, experienced in mandatory standard setting and the use of IFRS in our respective jurisdictions. We are now writing jointly to highlight our common concerns regarding connectivity with accounting standards, the strategic roadmap, and implementation priority.
2. The excerpts below are taken from the individual comment letters of the UK Endorsement Board (UKEB), Canadian Accounting Standards Board (AcSB), Malaysian Accounting Standards Board (MASB), Australian Accounting Standards Board (AASB) and New Zealand External Reporting Board (XRB).
3. Due to the close connection and overlap with the work on IFRS Accounting Standards, we have also copied the Chair of the International Accounting Standards Board (IASB), for his information.

Connectivity with accounting standards

4. We all consider that close alignment and connectivity between financial and sustainability reporting is paramount to ensure that the information produced for investors is compatible and comparable.
5. The UKEB highlighted that “feedback from UK stakeholders, as well as the UKEB’s own research, indicate that close alignment and connectivity between financial

¹ ISSB Agenda Consultation comment letters: UK Endorsement Board ([UKEB](#)), Malaysian Accounting Standards Board ([MASB](#)), New Zealand External Reporting Board ([XRB](#)), Australian Accounting Standards Board ([AASB](#)), and the Canadian Accounting Standards Board ([AcSB](#))

and sustainability reporting should be a priority for both Boards and they do not consider that this is yet complete". (UKEB FCL para 24, p.5)

6. The AcSB similarly "strongly encourage the ISSB to continue working together with the IASB to prioritize issues related to connectivity in reporting". (AcSB FCL p.2)
7. MASB took the view that "connectivity is paramount to ensure high quality and compatible information in financial statements and in sustainability disclosures". (MASB FCL p.5)
8. The AASB recommended "that the ISSB focus on the development of additional guidance on connectivity to better support comparability". (AASB FCL p.13)
9. The XRB highlighted that simply "Relying on generic aspirations for 'connectivity' or 'interoperability' may undermine the credibility of the work of the ISSB". (XRB FCL p.2)

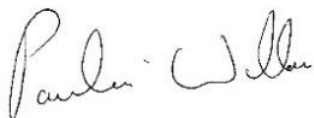
Strategic roadmap

10. Our stakeholders collectively considered that communicating the ISSB's long-term objectives and clarifying how these relate to the IASB's roadmap was a critical next step.
11. The UKEB noted that "stakeholders have requested that the ISSB take this time to set out a long-term roadmap, which clearly sets out the rationale for why any specific project is included on the workplan." (UKEB FCL para 29 p.6)
12. The AcSB recommended that "the ISSB allow adequate time for implementation, including connectivity with the financial statements, and build out a broader suite of sustainability reporting standards before exploring a fully integrated reporting approach." (AcSB FCL p.2)
13. MASB highlighted that "a two-year plan sends signals to the market when currently what the market requires is a period of stability as it transitions to IFRS S1 and IFRS S2." (MASB FCL p.15)
14. The AASB recommended that "the ISSB prioritise the development of an appropriate conceptual framework to guide its future standard-setting activities and develop a roadmap which explains and specifies what the long-term objectives of the ISSB are and how that relates to the IFRS Foundation and International Accounting Standards Board's (IASB) strategy, mission and objectives." (AASB FCL p.3)
15. The XRB "supports calls by others... [for the ISSB] to develop and publicise its overall direction of travel in sustainability reporting, i.e., the target universe of all topics that are intended to be covered in ISSB standard setting, also beyond the time horizon of the next workplan." (XRB FCL p.2)

Implementation priority

16. Also, we all agreed that the highest priority of the ISSB should be the successful implementation of the inaugural standards.
17. The UKEB noted that “Without this as their primary focus, ISSB Disclosure Standards risk not being accepted as mandatory, losing much of the impetus for the establishment of the ISSB, and potentially mean that preparers fail to adequately engage with and implement the standards.” (UKEB FCL para 27 p.6)
18. The AcSB “strongly encourage the ISSB to focus on supporting the implementation of the ISSB’s inaugural standards, IFRS S1 and S2, as its highest priority activity.” (AcSB FCL p.2)
19. MASB highlighted that they “believe that supporting implementation of IFRS S1 and IFRS S2 should be the ISSB’s top priority in its work plan. Successful implementation of these two inaugural standards is key and essential to ensure continued success and credibility of the ISSB.” (MASB FCL p.1)
20. The AASB took the view that “If the ISSB is going to achieve the objective of establishing a global baseline for comparable sustainability-related financial information, the ISSB should first focus on the implementation of the Standards it has already issued and ensure that they are being implemented consistently.” (AASB FCL p.3)
21. The XRB highlighted that “...supporting implementation of IFRS S1 and IFRS S2 is also critical.” (XRB FCL p.4)
22. We trust our common concerns, regarding connectivity with accounting standards, the strategic roadmap, and implementation priority, will be taken into consideration by the Board, and would be happy to discuss them further, if that would be helpful.

Yours sincerely



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Chair, UK Endorsement Board



Dr Keith Kendall
Chair, Australian Accounting Standards Board

UKEB





Armand Capisciolto
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Tan Bee Leng
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