

MEDIA RELEASE



International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
Organização Internacional das Comissões de Valores
Organización Internacional de Comisiones de Valores
المنظمة الدولية لهيئات الأوراق المالية

IOSCO/MR/34/2020

Madrid, 23 December 2020

IOSCO responds to IFRS Consultation on Sustainability Reporting

The International Organization of Securities Commissions (IOSCO¹) today submitted its [response](#) to the IFRS Consultation on Sustainability Reporting.

IOSCO supports the establishment of a Sustainability Standards Board (SSB) under the IFRS Foundation subject to Trustees' consideration of how the 'requirements for success' set out in the consultation paper are met.

Securities regulators and other capital market authorities are responsible for the oversight of capital markets and often have responsibilities for disclosure regulations. Against this backdrop, IOSCO is in a unique position to assist the IFRS Foundation in shaping its future role in corporate reporting on sustainability. IOSCO has a long history of collaboration with the IFRS Foundation and has long supported the IFRS Foundation in order to meet our shared objectives of promoting and facilitating transparency within the capital markets. In 2000, IOSCO issued a [Resolution](#) that set the foundation for the adoption of IFRS across member jurisdictions. Today, 144 jurisdictions use IFRS. And, in 2009, IOSCO worked with the IFRS Trustees to establish a Monitoring Board of public authorities. IOSCO chairs the Monitoring Board through Jean-Paul Servais as the Vice-chair of the IOSCO Board; the Monitoring Board oversees the IFRS Trustees to ensure that they discharge their duties in accordance with the IFRS Constitution.

¹ The IOSCO Sustainable Finance Task Force (STF) has drafted this letter on behalf of IOSCO in response to the IFRS Foundation's Consultation Paper on Sustainability Reporting. IOSCO's Policy Committee on Issuer Accounting, Audit and Disclosures (Committee 1) also provided input to the STF.

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IOSCO believes that robust sustainability reporting standards, interconnected with financial reporting standards, would also support audit and assurance – enhancing the market’s trust in sustainability disclosures, and laying the foundations for mandatory corporate reporting on sustainability internationally.

IOSCO sees an urgent need to improve the completeness, consistency and comparability of sustainability reporting. Together, the IFRS Foundation’s consultation and a parallel collaborative initiative of an alliance of sustainability reporting organizations can further efforts to facilitate comparable high-quality international standards that provide the *content* that capital markets need, within a *transparent* standard-setting architecture with a robust and inclusive *governance* structure.

IOSCO is committed to helping progress these initiatives with a view to establish a global comprehensive corporate reporting system.

Ashley Alder, IOSCO Chair and Chief Executive Officer of the Securities and Futures Commission (SFC) of Hong Kong, said: *“Establishing a global system architecture for sustainability reporting under the IFRS Foundation could help to promote the consistency and comparability across borders that capital markets need and reduce the risk of fragmentation.”*

Erik Thedéen, Chair of the IOSCO Sustainable Finance Task Force and Director General of Finansinspektionen of Sweden, said: *“The creation of an SSB could help to meet our objective of promoting and facilitating transparency within the capital markets. We remain committed to continuing to work with the IFRS Foundation as it considers how best to proceed post-consultation with the view to establish a global comprehensive corporate reporting system that meets the needs to capital markets and serves the public interest.”*

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Notes to the Editor

1. IOSCO is the leading international policy forum for securities regulators and is recognized as the global standard setter for securities regulation. The organization's membership regulates more than 95% of the world's securities markets in 129 jurisdictions, and it continues to expand.
2. The IOSCO Board is the governing and standard-setting body of the International Organization of Securities Commissions and is made up of 34 securities regulators. Mr. Ashley Alder, the Chief Executive Officer of the Securities and Futures Commission of Hong Kong, is the Chair of the IOSCO Board. The members of the IOSCO Board are the securities regulatory authorities of Argentina, Australia, Bahamas, Belgium, Brazil, China, Egypt, France, Germany, Hong Kong, India, Ireland, Italy, Japan, Korea, Malaysia, Mexico, Morocco, Nigeria, Ontario, Pakistan, Portugal, Quebec, Russia, Saudi Arabia, Singapore, Spain, Sweden, Switzerland, Turkey, the United Arab Emirates, the United Kingdom, and the United States of America (both the U.S. Commodity Futures Trading Commission and U.S. Securities and Exchange Commission). The Chair of the European Securities and Markets Authority and the Chair of IOSCO's Affiliate Members Consultative Committee are also observers.
3. The Growth and Emerging Markets (GEM) Committee is the largest committee within IOSCO, representing close to 80 per cent of the IOSCO membership, including 11 of the G20 members. Dr. Obaid Al Zaabi, Chief Executive Officer, Securities and Commodities Authority, United Arab Emirates, is the Chair of the GEM Committee. The committee brings members from growth and emerging markets together and communicates members' views and facilitates their contribution across IOSCO and at other global regulatory discussions. The GEM Committee's strategic priorities are focused, among others, on risks and vulnerabilities assessments, policy and development work affecting emerging markets, and regulatory capacity building.
4. IOSCO aims through its permanent structures:
 - to cooperate in developing, implementing and promoting internationally recognized and consistent standards of regulation, oversight and enforcement in order to protect investors, maintain fair, efficient and transparent markets, and seek to address systemic risks;
 - to enhance investor protection and promote investor confidence in the integrity of securities markets, through strengthened information exchange and cooperation in

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enforcement against misconduct and in supervision of markets and market intermediaries; and

- to exchange information at both global and regional levels on their respective experiences in order to assist the development of markets, strengthen market infrastructure and implement appropriate regulation.
5. The IOSCO Board agreed in February 2020 to establish a Sustainable Finance Board-level Task Force (STF) to enable IOSCO to play a driving role in the area of sustainable finance, and with the view to address the findings outlined in the report of the IOSCO Sustainable Finance Network on [Sustainable Finance and the Role of Securities Regulators and IOSCO](#).

To address these issues, the STF has organized its work around three work streams:

- Work stream 1 on sustainability-related disclosures for issuers.
- Work stream 2 on sustainability-related disclosures for asset managers, greenwashing and other investor protection concerns.
- Work stream 3 on CRAs, ESG ratings and ESG data providers

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