

## MEDIA RELEASE



International Organization of Securities Commissions  
Organisation internationale des commissions de valeurs  
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المنظمة الدولية لهيئات الأوراق المالية

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Madrid, 30 March 2021

### **IOSCO Technical Expert Group to undertake an assessment of the technical recommendations to be developed as part of the IFRS Foundation’s sustainability project**

IOSCO welcomes the [press release](#) issued by the Trustees of the IFRS Foundation (the Trustees) on 22 March 2021 announcing the formation of a working group chaired by the IFRS Foundation to undertake technical preparation for a potential international Sustainability Standards Board (SSB) under the governance of the IFRS Foundation.

IOSCO also welcomes the invitation to join this group as an observer. IOSCO looks forward to collaborating with the working group as it develops its technical recommendations, including planned work to further refine the [prototype climate-related disclosure standard](#) (the prototype) as a basis for the SSB to build on existing initiatives in its standards development.

Progressing this work with urgency and leveraging the content of existing sustainability-related reporting frameworks responds directly to IOSCO’s [encouragement](#) to bring together the “key initiatives focussed on enterprise value reporting to continue providing technical observations that can enable a running start”. This in turn responds to the pressing investor need for globally consistent, comparable, and reliable sustainability disclosure standards.

#### **IOSCO Technical Expert Group**

IOSCO announces today the establishment of a new Technical Expert Group (TEG) under its Sustainable Finance Task Force (STF). The TEG will work closely with the IFRS Foundation’s working group and will be tasked with reviewing and assessing its technical recommendations focused on enterprise value creation.

As part of this, the TEG will assess refinements to the prototype and its content, including industry-specific metrics. The TEG will consider whether the refined prototype could be a sound basis for the development of an international reporting standard under the SSB, with a focus on enterprise value, that will:

- meet the capital market’s core information needs and serve as a baseline for consistent and comparable approaches to mandatory sustainability-related disclosures across jurisdictions

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- be compatible with existing accounting reporting standards and promote good governance of sustainability-related disclosures among preparers
- form the basis for the development of an audit and assurance framework

This preparatory work will inform IOSCO’s views on its potential endorsement of the SSB as the global standard-setter for sustainability-related corporate reporting. Subject to the outcome of its assessment, IOSCO views the proposed SSB and its future standards as a promising solution for achieving consistent, comparable, and reliable cross-border sustainability-related reporting requirements and would encourage IOSCO members and relevant authorities to consider the standards when setting sustainability-related disclosure requirements. In the course of its work, IOSCO will seek opportunities to gather the views of global stakeholders and market participants on the prototype and its content.

The TEG will be co-led by the Monetary Authority of Singapore and the US Securities and Exchange Commission and will comprise sustainability reporting technical specialists from within the STF and the leadership of IOSCO’s policy committee on issuer accounting, auditing and disclosures (Committee 1).

In light of the urgent need to improve the consistency, comparability, and reliability of sustainability-related disclosures across jurisdictions, IOSCO expects that the TEG will complete its initial assessment of the technical recommendations and refinements to the prototype before COP 26 in November 2021.

### **Multi-stakeholder Expert Consultative Committee**

IOSCO also looks forward to continuing its dialogue with the Trustees as they commence work to explore the establishment of a multi-stakeholder expert consultative committee within the IFRS Foundation structure. IOSCO continues to see a consultative committee as a promising mechanism to support the practical delivery of the ‘building blocks’ of a global comprehensive corporate reporting system.

In particular, such a committee could play a key role in fostering ongoing international coordination between enterprise value-focused sustainability reporting standards issued by the SSB and any complementary standards related to additional sustainability reporting to meet the demands of other stakeholders or jurisdiction-specific requirements. Importantly, it could also help encourage global consistency and comparability of such additional sustainability disclosure requirements.

IOSCO reiterates its willingness to engage with the IFRS Foundation and relevant global stakeholders involved in sustainability reporting on how in practice, a multi-stakeholder expert consultative committee within the IFRS Foundation structure can:

- help the SSB identify relevant sustainability topics that may be material to investment decisions based on an “enterprise value” focus;

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- while also providing a bridge to support additional information needs on other sustainability issues and promoting consistency and comparability in complementary jurisdiction-specific reporting standards.

IOSCO, through its role in chairing the Monitoring Board of the IFRS Foundation, will continue to provide input and monitor any related governance arrangements stemming from the Trustees' proposals.

### NOTES TO THE EDITORS

#### About IOSCO

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 some 130 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,
3. 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, South Africa, 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.
4. 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.
5. IOSCO aims through its permanent structures:

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- to cooperate in developing, implementing and promoting adherence to 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 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.

### MEDIA ENQUIRIES

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