

## IASB-ISSB joint meeting

### Meeting Summary

January 2024

This is a compilation of the summary available on IAS Plus at:

<https://www.iasplus.com/en/meeting-notes/issb/2024/january/january>

The meeting agenda and all of the staff papers are available on the ISSB website:

<https://www.ifrs.org/news-and-events/calendar/2024/january/iasb-issb-joint-meeting/>

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### Overview

The IASB held a joint meeting with the ISSB on 25 January 2024 in London. The following topic was discussed:

**Feedback on ISSB consultation on agenda priorities:** The boards discussed the feedback received in response to the ISSB’s request for information (RFI) *Consultation on Agenda Priorities* related to integrated reporting and connectivity to help decide which next steps should be taken by the IASB and ISSB respectively. No decisions were made. As a next step, the IASB will discuss the direction of the management commentary project while the ISSB will continue to discuss feedback on the RFI and make decisions based on that feedback.

### Feedback on ISSB consultation on agenda priorities

In this meeting, the IASB and ISSB were provided with a summary of feedback received in response to the ISSB request for information *Consultation on Agenda Priorities* related to integrated reporting and connectivity to help inform future next steps taken by both the IASB and ISSB.

#### Feedback summary—Cover paper (Agenda Paper 2)

In this paper, the staff set out the background and objectives behind the ISSB’s request for information *Consultation on Agenda Priorities* (RFI) and the IASB’s management commentary project. The staff explained

the overlap that arose between the project in the areas of connectivity and integrated reporting and the stakeholder interest in the IASB and ISSB working together in these areas.

The IASB and ISSB will not be asked to make any decisions at this meeting.

### **Feedback summary—A project on integration in reporting (Agenda Paper 2A)**

In this paper, the staff summarised the feedback received in response to the RFI on a project on integration in reporting. The staff provided the background of the RFI in general and a summary of its methodology for analysing and quantifying feedback. The staff set out the key messages from the feedback, namely:

- that stakeholders hold diverse views on what an “integration in reporting” means, what a project should look like and what reporting outcomes it should attempt to achieve;
- that stakeholders generally rank such a project as lower priority when compared with pursuing other sustainability related topics; and
- that stakeholders provided feedback on how such a project, if pursued, should be undertaken, and generally supported collaboration on such a project between the IASB and ISSB.

The staff set out details about the feedback in each of these areas, as well as feedback about the sources on which a project on integration in reporting could build.

#### **IASB and ISSB discussion**

Although there were diverse views in the feedback, the discussion of the IASB and ISSB highlighted that the key messages from respondents emphasised the importance of integration in reporting, but also that it may still be a lower priority than other projects.

It was noted that the IASB has a number of projects on its agenda which had been chosen after considering stakeholder feedback and it may not be appropriate to deprioritise these for a project on integration in reporting. Furthermore, the ISSB is determining what projects to include in its agenda. It seemed from feedback that the most urgent need is for additional topical standards to be issued by the ISSB, and support for the implementation of IFRS S1 and IFRS S2. It was agreed that these projects would allow the development of comparable disclosures, which in turn would facilitate a future project on integration in reporting.

It was also noted by many members of the IASB and ISSB that deprioritising integration in reporting as a short term should not mean that the collaboration between the IASB and ISSB should be paused, as many respondents noted the importance of the IASB and ISSB working together in their feedback.

The ISSB staff agreed to consider these observations and develop recommendations for future ISSB meetings that can be voted on.

Similarly, the IASB staff will consider how this feedback affects the management commentary project and will prepare an analysis of possible ways forward, working closely with the Integrated Reporting and Connectivity Council and the ISSB to coordinate thinking, before developing recommendations for the IASB to vote in in future meetings.

### **Feedback summary—Connectivity (Agenda Paper 2B)**

In this paper, the staff summarised the feedback received in response to the RFI on connectivity. The staff summarised the key messages from the feedback, namely that stakeholders consider connectivity important when providing decision-useful information and encourage collaboration between the IASB and ISSB to achieve that. The staff also highlighted that some respondents provided feedback related to connectivity when commenting on integration in reporting, which was summarised in Agenda Paper 2A. The staff set out the

details about this feedback, describing specific areas of collaboration between the IASB and ISSB suggested by respondents, namely:

- the IASB's climate-related risks in the financial statements project;
- the IASB's future intangibles project;
- the IASB's work on pollutant pricing mechanisms; and
- the development of educational material and guidance on various topics.

#### **IASB and ISSB discussion**

IASB and ISSB members noted that there was general support for connectivity between the two boards from those respondents that gave feedback. They generally agreed that this was important and should be pursued.

Some IASB and ISSB members suggested that there should be flexibility in how this connectivity should be achieved, on a project-by-project basis. Others also suggested that connectivity should be focused on projects where it would have the highest impact.

IASB and ISSB members also highlighted existing examples of connectivity, such as joint attendance at IFRS Interpretations Committee meetings, the work on the digital taxonomy using staff from both the IASB and the ISSB, and support from both boards in drafting content for meetings. It was noted that although perhaps not publicly visible, there is significant connection and collaboration between the IASB and ISSB already 'behind the scenes'.

Some IASB and ISSB members noted that what respondents are asking for may go beyond just collaboration on specific projects and may extend to embedded connectivity in the requirements or guidance issued by the IASB and the ISSB. It was noted that this already exists to some extent, for instance IFRS S1 explicitly references connectivity with the financial statements, and the material information is commonly defined. It was cautioned, however, that high levels of connectivity may result in issues regarding the disclosure of commercially sensitive or forward-looking information.