
Accounting Standards Advisory Forum meeting

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Topic **Connectivity between the IASB and the ISSB**

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Connectivity between the IASB and the ISSB



Why is connectivity between the IASB and ISSB important?

Connectivity in **PROCESS**

Examples:

- *Information sharing*
- *IASB/ISSB technical staff representation on projects*

supports

Connectivity in **PRODUCT**

Examples:

- *Shared concepts (eg materiality)*
- *Complementary requirements (eg intangibles)*

leads to

Better general purpose financial reporting
Better information for better decisions

IFRS Standards within the broader reporting landscape



Connectivity – in processes examples

- IASB & ISSB Chairs have strategic responsibility for connectivity.
- Vice Chairs (Linda Mezon-Hutter and Sue Lloyd) have operational responsibility for this
- Sharing of updates in Board admin sessions (IASB technical staff present to ISSB and vice versa)

- Joint staff team for digital reporting
- Integrated Reporting team has dual reporting line to Vice-Chairs
- When appropriate technical staff resourcing is shared (for example, IASB technical staff have been included as members of S1 drafting team and ISSB technical staff will join team for the IASB's climate-related financial disclosures project)
- Processes in place for knowledge sharing and identification of areas of common interest at staff level to facilitate coordination

Connectivity – in product examples

- ISSB has built on concepts and requirements in IFRS Accounting Standards (eg use of the same definition of materiality; use of ‘reasonable and supportable information without undue cost or effort; many requirements in S1 taken from IAS 1 & 8)
- S1 requires that sustainability-related financial information be provided with the financial statements; requires effects of sustainability-related risks and opportunities in financial statements to be explained; requires use of consistent assumptions to the extent possible
- ISSB and IASB considered one another’s work on commercially sensitive information in January and February board meetings
- IASB plans to build on ISSB’s work in S1 and S2 in project on climate-related disclosures
- Central team working on ISSB digital taxonomy leveraging learnings and expertise from the IASB digital taxonomy

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