
Sustainability Standards Advisory Forum meeting

Date	June 2024
Project	Digital Financial Reporting
Topic	Update on ISSB's digital reporting activities
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Purpose of this session

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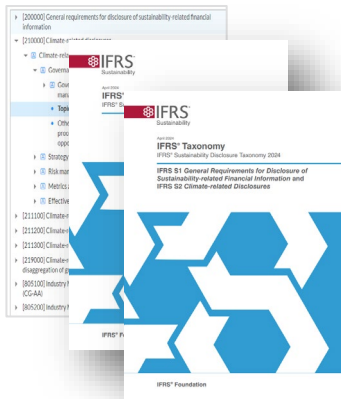
Provide update on the ISSB's digital financial reporting priorities and outline specific activities the ISSB could undertake to support these priorities at a future date

Questions for SSAF members

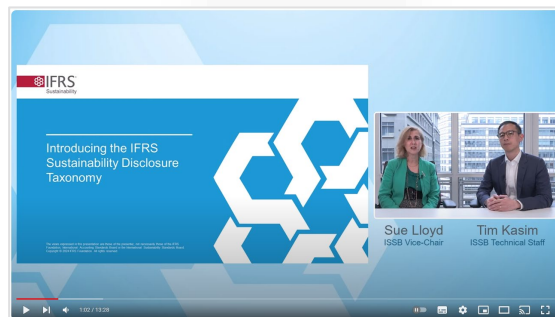
Do you have any questions or comments relating to the next steps on the ISSB's digital financial reporting activities?

ISSB's digital financial reporting priorities (1/2)

The ISSB's initial digital financial reporting priority was to develop the IFRS Sustainability Disclosure Taxonomy (ISSB Taxonomy)



At the end of April 2024, the ISSB published the ISSB Taxonomy, fulfilling its promise to enable investors and other capital providers to analyse sustainability-related financial information efficiently



For an introduction to the ISSB Taxonomy, its key features and benefits for investors, companies and regulators, please see our short webcast presented by Sue Lloyd (ISSB Vice-Chair) and Tim Kasim (ISSB Technical Staff)

[Click here to watch](#)

ISSB's digital financial reporting priorities (2/2)

The ISSB's current priorities

Support use of the ISSB Taxonomy

The ISSB has agreed that its main focus in its 2024-2026 work plan will be supporting the implementation of IFRS S1 and IFRS S2 which specifically includes enhancing digital disclosure by supporting the use of the IFRS Sustainability Disclosure Taxonomy

Interoperability with ESRS Digital Taxonomy

To complement the work that has been undertaken on interoperability between ESRS and ISSB Standards, the ISSB will focus on the interoperability of the ISSB and ESRS digital taxonomies to facilitate interoperable digital reporting and to ensure the ISSB's global baseline can be clearly identified and presented by those using ESRS

The ISSB is also working to enhance the SASB Standard Taxonomy making updates to reflect the improved international applicability of the SASB Standards

The ISSB will consider specific digital financial reporting activities it could undertake to support these priorities at a future date (*potential activities are set out on [Slide 5–7](#)*)

Support use of the ISSB Taxonomy (1/2)

- **Update the ISSB Taxonomy for changes to ISSB Standards and common practice**
 - Periodical updates to the ISSB Taxonomy in accordance with Taxonomy due process
- **Supporting regulators that are considering using the ISSB Taxonomy**
 - Update to the regulator's guide is intended to support optimal adoption of both IFRS digital taxonomies (see [Slide 10](#))
 - Consider developing other materials to support optimal adoption of the ISSB Taxonomy

Support use of the ISSB Taxonomy (2/2)

- **Raising awareness about digital financial reporting and the ISSB Taxonomy**
 - Digital financial reporting introductory materials are intended to raise awareness of both IFRS digital taxonomies (see [Slide 9](#))
 - Consider how these introductory materials can be utilised to promote digital reporting of sustainability-related financial disclosures from the start
- **Collaborate with partners to develop capacity building materials**
 - Support partners in developing capacity building materials that support stakeholders in using the ISSB Taxonomy
 - XBRL International has joined the [ISSB Partnership Framework for Capacity Building](#)

Interoperability with ESRS Digital Taxonomy

- **Building on ESRS-ISSB Interoperability Guidance**
 - IFRS Foundation and EFRAG published [joint interoperability guidance](#) that explains how companies can efficiently comply with both ISSB and ESRS Standards
 - The ISSB will focus on the interoperability of the ISSB and ESRS digital taxonomies to facilitate interoperable digital reporting
- **Collaborate with partners to develop a mechanism to support digital interoperability**
 - XBRL International is considering developing a concordance specification that would enable more efficient use of both ISSB and ESRS taxonomies for tagging disclosures that meet both ISSB and ESRS Standards

Connectivity between the IASB and the ISSB

Supporting digital financial reporting is a main activity for both the IASB and the ISSB

The following examples of connectivity allow the boards to maximise synergies:

- A **shared staff team** that supports both the IASB and the ISSB on their taxonomy related activities
- A **shared advisory group** (the ITCG) that advises both the IASB and ISSB on their taxonomy related activities
- Common **taxonomy design** that is consistently applied in both IFRS digital taxonomies
- Common **educational materials** that support the use of both IFRS digital taxonomies
- In developing the IASB's digital financial reporting strategic framework ([Slide 12](#)) consideration was given to possible synergies with the ISSB



Promoting digital financial reporting and the IFRS digital taxonomies

In April 2024, we released introductory materials and a new digital financial reporting webpage www.ifrs.org/digital-financial-reporting

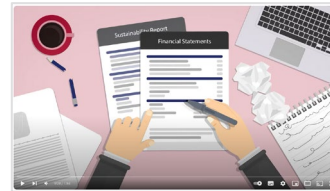
Introductory article



A helpful starting point for those new to digital financial reporting
The article includes spotlights on various jurisdictions to illustrate digital financial reporting developments around the world

[Click here to read the article](#)

Explainer videos



The first video provides a general introduction to digital financial reporting, the benefits and what is needed to achieve these benefits

[Click here to watch](#)



The second video explains what the IFRS digital taxonomies are and how they facilitate the reporting of information in a computer-readable format

[Click here to watch](#)

Developing materials to support optimal adoption of taxonomies

Later this year we expect to publish an updated guide for regulators implementing the IFRS digital taxonomies

The update guide is expected to cover:

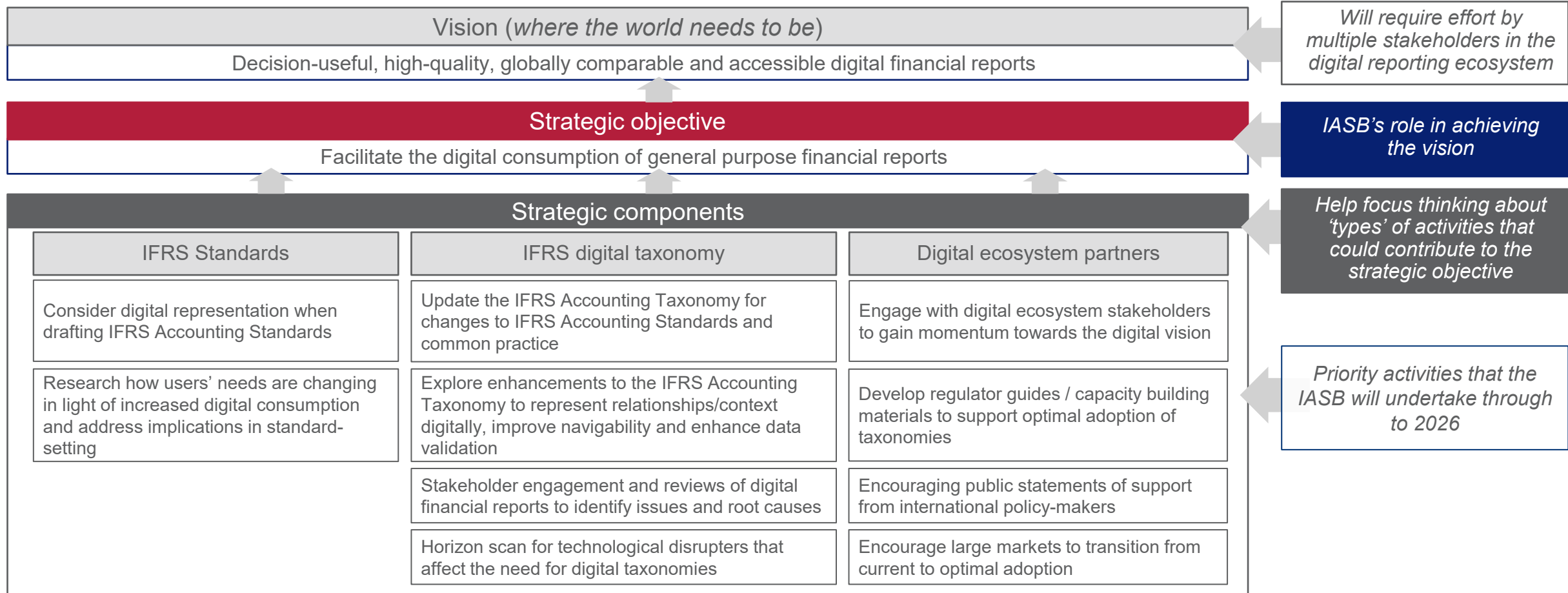
- An introduction to the IFRS digital taxonomies and outlines their intended use, the need for extensions, terms and conditions of use and translation
- Approaches for using the taxonomy files in a way that facilitates digital comparability of tagged information, globally
- Best practice for creating regulator-specific taxonomies and regulator-specific extensions



Appendix



IASB's digital financial reporting priorities



**Some opportunities for synergies and connectivity expected between the IASB's and ISSB's digital financial reporting activities. Where appropriate we will seek to take a coordinated approach*

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