

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/30/2021

Glasgow, 3 November 2021

IFRS Foundation's International Sustainability Standards Board on the Right Track, says IOSCO

Speaking at COP26 today, Ashley Alder, Chairman of IOSCO (and CEO of the Hong Kong SFC), welcomed the publication by the IFRS Foundation of the prototype for the Climate Disclosure standard to be finalized in 2022 and told delegates that the IFRS Foundation is making good progress towards issuing the climate disclosure standard in 2022.

Ashley Alder said: *"We have been looking for five key things from the IFRS Foundation:*

- *Prompt establishment of the ISSB,*
- *an early public indication for the market of the general approach the climate disclosure standard will take,*
- *close and credible engagement with stakeholders,*
- *interoperability with other sustainability reporting requirements in jurisdictions and*
- *evidence of a strong understanding of what markets need in terms of meaningful disclosures.*

Following close interaction with IOSCO on the now published prototype for the ISSB's climate disclosure standard and the imminent announcement of the leadership of the ISSB, the IFRS Foundation is making good progress."

He concluded: *"If the ISSB's future standard meets IOSCO's expectations, our endorsement will support all our 130 members in considering ways they might adopt, apply or be informed by the standard."*

MEDIA RELEASE



The setting up of the ISSB and the issuance of the international climate disclosure standard are key pillars of IOSCO's overall sustainable finance strategy.

IOSCO set out in 2020 that it was not happy with either the fragmented way private sector standard setting for sustainability was developing or with the scale of the risk of greenwashing.

By the end of 2021, IOSCO will have published its detailed analysis of the disclosure issues facing both issuers and asset managers and its assessment of sustainability data and ratings.

In 2022, it will focus on a careful assessment of the ISSB's draft climate disclosure standard, in parallel with stakeholder consultations by the ISSB. IOSCO's aim is to endorse the standard before the end of 2022 if it is satisfied that the standard sets a practical and effective global baseline for climate disclosures to financial markets across the globe.

Erik Thedéen, (head of the Swedish Financial Supervisory Authority) is Chair of the task force set up by the IOSCO Board, mandated to drive the process. He commented: *“Climate change is global in nature, and this calls for global action. To have a global baseline for corporate disclosure will be key to enable the necessary transition. Now, important steps have been taken by the IFRS Foundation and the market can get an idea of where we are heading. A global baseline for sustainability disclosures is a prerequisite to enable investors to correctly evaluate the risk and opportunities in investments, regardless of where they are in the world. This will enable the financial sector to better allocate capital towards sustainable investments. We want to get the future risk and opportunities that comes with the transition to a carbon net zero world, into the pricing of investments today. We are particularly pleased that markets can begin to see how a global baseline and jurisdiction specific requirements can be operated compatibly.”*

MEDIA RELEASE



5

Jean Paul Servais Vice Chair of IOSCO (head of the Belgian securities Regulator the FMSA) is Chair of the global Monitoring Board administered by IOSCO to oversee the work of the IFRS Foundation (and now ISSB) and provide assurance that the public interest is forefront. Today the Monitoring Board published [a statement](#) welcoming the announcement of the formation of the ISSB and published additional information on its engagement with the IFRS Trustees' proposals in this area. Mr. Servais commented: *“To prosper, sustainable finance requires credible baseline global standards developed through an authoritative process that safeguards the global public interest. The ISSB standards are poised to become the basis for sustainability disclosures globally, The IOSCO-led Monitoring Board will ensure these standards are subject to the same robust governance, due process and oversight as IFRS accounting standards, while strengthening the interconnectivity between IFRS financial reporting and IFRS sustainability disclosures.”*

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 some 130 jurisdictions, and it continues to expand.
2. The IOSCO Board is the governing and standard-setting body of IOSCO 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, Kenya, Korea, Malaysia, Mexico, Morocco, Nigeria, Ontario, Pakistan, Portugal, Quebec, Russia, Saudi Arabia, Singapore, Spain, Sweden, Switzerland, Turkey, 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 more than 75% per cent of the IOSCO membership, including 10 of the G20 members. Dr. Mohammed Omran, Executive Chairman of the Financial Regulatory Authority, Egypt, is 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

MEDIA RELEASE



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 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 to assist the development of markets, strengthen market infrastructure and implement appropriate regulation.

MEDIA ENQUIRIES

Carla Vitzthum 34 697 449 639
Email: carla@iosco.org
Website: www.iosco.org
Follow IOSCO on [Twitter here](#)