



7 October 2020

To: **Members of the Hong Kong Institute of CPAs**
All other interested parties

INVITATION TO COMMENT ON IFRS FOUNDATION CONSULTATION PAPER
Consultation Paper on Sustainability Reporting

Comments to be received by 30 November 2020

The Financial Reporting Standards Committee (FRSC) of the Hong Kong Institute of Certified Public Accountants (Institute) is seeking comments on the IFRS Foundation *Consultation Paper on Sustainability Reporting* (Consultation Paper). The Consultation Paper is available on the Institute's website:

<http://www.hkicpa.org.hk/en/standards-and-regulations/standards/financial-reporting/exposure-drafts/>.

The IFRS Foundation Trustees have noted, through engagement with a cross section of stakeholders, that sustainability reporting is continuing to increase in importance. Amid this heightened focus on environmental, social and governance (ESG) matters, developments in sustainability reporting and increased calls for standardisation of such reporting, the Trustees are now seeking inputs on the need for global sustainability standards, and gauging support for the Foundation to play a role in the development of such standards.

The Consultation Paper sets out possible ways the Foundation might contribute to the development of global sustainability standards by broadening its current remit beyond the development of financial reporting standards, and leveraging its experience in international standard-setting, well-established and supported standard-setting processes, and governance structure.

One possible option is for the Foundation to create a new Sustainability Standards Board. The Consultation Paper sets out critical success factors for the creation of such a new standard-setter, the proposed governance structure and its placement alongside the International Accounting Standards Board, its relationship with other institutions and initiatives, and its scope.

The FRSC invites your comments on the proposal as set out in the Consultation Paper by **30 November 2020** to allow your comments to be considered in developing its response to the IFRS Foundation. Comments should be submitted in written form.

Comments may be sent by mail, fax or e-mail to:

Standard Setting Department
Hong Kong Institute of Certified Public Accountants
37th Floor, Wu Chung House
213 Queen's Road East
Wanchai, Hong Kong

Fax number (+852) 2865 6776
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Comments will be acknowledged and may be made available for public review unless otherwise requested by the respondent.