



3 May 2021

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

**INVITATION TO COMMENT ON IFRS FOUNDATION EXPOSURE DRAFT
Exposure Draft on Proposed Targeted Amendments to
the IFRS Foundation Constitution to Accommodate an International
Sustainability Standards Board to Set IFRS Sustainability Standards**

Comments to be received by 2 July 2021

The Financial Reporting Standards Committee (FRSC) of the Hong Kong Institute of Certified Public Accountants (Institute) is seeking comments on the IFRS Foundation Exposure Draft *Proposed Targeted Amendments to the IFRS Foundation Constitution to Accommodate an International Sustainability Standards Board (ISSB) to Set IFRS Sustainability Standards* (Exposure Draft). The Exposure Draft is available on the Institute's website:

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

In September 2020, the IFRS Foundation Trustees (Trustees) published a *Consultation Paper on Sustainability Reporting* (Consultation Paper) to assess the demand for global sustainability reporting standards in general and to consult on how the IFRS Foundation (Foundation) should respond to that demand. Base on the feedback on the Consultation Paper, it was confirmed that there was indeed an urgent need for global sustainability reporting standards. Moreover, there was broad agreement among the respondents to the Consultation Paper that the Foundation should play a leading role in the development of such standards.

The Trustees therefore propose to amend the Foundation's *Constitution* to expand the objectives of the Foundation to accommodate the potential formation of a new International Sustainability Standards Board (ISSB), which will set IFRS sustainability standards, within the governance structure of the Foundation.

The FRSC invites your comments on the proposal as set out in the Exposure Draft by **2 July 2021** to allow your comments to be considered in developing its response to the Foundation. Comments should be submitted in written form.

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

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37th Floor, Wu Chung House
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Comments will be acknowledged and may be made available for public review unless otherwise requested by the respondent.