

Changes to the Guidelines on the Modus Operandi of an AOSSG Working Group on IFRS Sustainability Disclosure Standards to be incorporated as an annexure to the MoU.

Resolution to be passed at the 15th Annual AOSSG Meeting:

It is hereby resolved that this annexure be incorporated as an integral part of the AOSSG MoU.

1. Introduction:

The purpose of this Annexure is to prescribe any additional procedures required for establishment and effective operation of the AOSSG WG on IFRS Sustainability Disclosure Standards to engage with the work of International Sustainability Standards Board (ISSB), in addition to those provisions already covered in the Memorandum of Understanding (MoU) on AOSSG and Guidelines on the Modus Operandi of an AOSSG WG.

The IFRS Foundation through the IASB and the ISSB, develops, in the public interest, high quality, understandable, enforceable and globally accepted standards (referred to as ‘IFRS Standards’) for general purpose financial reporting based on clearly articulated principles. The IASB is responsible for developing a set of accounting standards (referred to as ‘IFRS Accounting Standards’) and the ISSB is responsible for developing a set of Sustainability Disclosure Standards (referred to as ‘IFRS Sustainability Disclosure Standards’). The IFRS Foundation would welcome and value the comments and input from the Asia-Oceanian region on the draft pronouncements, work plans and strategies of the IASB and ISSB.

AOSSG is a grouping of 28 recognised accounting standard-setters in the Asian-Oceanian region that has been formed to discuss issues and shares experiences on the adoption of IFRS Accounting Standards.

The IFRS Sustainability Disclosure Standards will be added to the AOSSG scope through a working group mechanism as a temporary measure until the 2024 AOSSG Annual Meeting. A survey will be carried out in 2024 to ascertain how the AOSSG Member Jurisdictions would engage with the work of ISSB and IFRS Sustainability Disclosure Standards, as well as the role of national accounting standard-setters in AOSSG. It is essential to decide at the 16th AOSSG Annual Meeting on the optimal structure, taking into consideration the survey results.

2. Objective of AOSSG Working Group on IFRS Sustainability Disclosure Standards

In addition to the objectives of Working Groups prescribed in the MoU, for the interim period, the objective of a WG is also to facilitate AOSSG in providing input and feedback to the International Sustainability Standards Board (ISSB) on topics related to proposed sustainability-related standards. The WG shall be responsible to study, evaluate and draft recommendations to the ISSB, which shall be carried out in accordance with the Guidelines on the Modus Operandi of an AOSSG Working Group.

3. Criteria for selecting Working Group Leader on IFRS Sustainability Disclosure Standards:

In addition to the criteria as prescribed in the Guidelines on the Modus Operandi of an AOSSG Working Group, the following criteria are also required to be satisfied in connection with the formation of WG on IFRS Sustainability Disclosure Standards:

- to encourage participation from member jurisdictions and help promote adoption of, and alignment with IFRS Sustainability Disclosure Standards in the region.
- established a network among, and continue to have involvement with, Sustainability Reporting standards-setters within and outside the region.
- established contacts, and continue to develop contacts, with ISSB members and staff.
- involved in developing Sustainability reporting requirements and published relevant research papers, guidelines etc.

4. Working Group Members and Other Participants:

In the event where any jurisdiction has established by legislation, a separate body as the Sustainability Reporting standard-setter which is not an AOSSG member, the WG leader may invite the representatives of such body in consultation with the national standard-setter of that jurisdiction who is an AOSSG member. Such invitee may participate in the WG deliberations and will have voting rights or other privileges accorded to other AOSSG WG members. Within the Working Group each jurisdiction will have the right to cast only one vote.

The WG members who are not AOSSG members may attend, as observers, AOSSG events which are open to the general membership of AOSSG.

5. Residual Clause

During the interim period, all aspects mentioned in the AOSSG's formal documents pertaining to the AOSSG's functioning in relation to contributing to IFRS Accounting Standards would also apply to contributing to IFRS Sustainability Disclosure Standards, for example, formal document of "Protocol for AOSSG members raising emerging Accounting and Sustainability Disclosure issues" would also apply for raising emerging sustainability-related concerns.