

**AY-2. Are you responding as an individual, or on behalf of an organisation?**

Organisation

**AY-3. Please provide the name of the organisation you are responding on behalf of:**

Institute of Singapore Chartered Accountants

**AY-10. Please provide any additional details relevant to you (if responding as an individual) or your organisation (if responding on behalf of an organisation).**

**Question 1—Consequential amendments to the IFRS S2 industry-based guidance**

The ISSB proposes to make consequential amendments to the IFRS S2 industry-based guidance when it makes amendments to the SASB Standards in order to maintain alignment between the IFRS S2 industry-based guidance and the climate-related content in the SASB Standards.

Paragraphs BC11–BC14 of the Basis for Conclusions describe the reasons for this proposal.

**01-A Response Do you agree that the ISSB should make consequential amendments to the IFRS S2 industry-based guidance when it makes amendments to the SASB Standards as set out in the SASB exposure draft? Why or why not?**

- Agree

In general, the same amendments should be applied to the IFRS S2 industry-based guidance as the considerations and stakeholder feedback relevant to the SASB Standards would also apply to this guidance. This recommendation is made on the basis that the IFRS S2 industry-based guidance is meant to be referred to and considered when applying certain requirements of IFRS S2, rather than mandatory adoption. A mandatory approach would otherwise necessitate a more comprehensive review of the amendments. We also note that some of the technical protocols in the SASB Standards refer directly to IFRS S2, e.g. description of Scope 1 greenhouse gas emissions targets. The IFRS S2 industry-based guidance should therefore exclude the requirements that are already contained within IFRS S2 to avoid duplication. Instead, it should set out only additional guidance relevant for entities to refer to and consider when applying the requirements of IFRS S2.

**Question 2—Effective date**

The ISSB proposes to set an effective date for the consequential amendments that is the same as the effective date of the corresponding amendments to the SASB Standards. The ISSB proposes that the effective date be 12–18 months after the amendments are issued and to permit early application.

Paragraph BC15 of the Basis for Conclusions describes the reasons for this proposal.

**02-A Response Do you agree with the proposed approach for setting the effective date of the amendments and permitting early application? Why or why not?**

- Agree

We agree that preparers need time to adjust their internal controls and processes to implement the amendments. However, we suggest that the effective date be set at least two years after their issuance. Beyond making the necessary system and process adjustments, entities also need at least one full reporting cycle, i.e. a full year of data, to test whether the processes and outputs are

reasonable and to build confidence in their data. This could be further complicated for entities with businesses in multiple industries. The effective date would also depend on how the amendments would be applied, e.g. the treatment of comparative information and whether any transition reliefs are provided. If comparative information must be restated, a longer lead time will be required to allow companies to retrieve the necessary historical data or identify appropriate proxies. Regarding comparative information, we suggest that the ISSB prioritise forward-looking and decision-useful disclosures and allow prospective application of the amendments. Accordingly, the ISSB should consider carefully whether restating comparative information is necessary. In situations where retrospective application may be required, such as amendments relating to baseline years for target setting, preparers should have the flexibility to exercise judgement and apply the concept of materiality. Notwithstanding the above, we support the ISSB permitting early adoption. This would allow some companies more time to adopt the amendments, while still permitting others to use the amended standards voluntarily as soon as possible.