



So sustainable finance is now a clear IOSCO priority. And in addition to an imminent and important IOSCO report on corporate-level disclosures, we will shortly publish reports on



On top of this, IOSCO has proposed that a multi-stakeholder consultative committee should be set up to ensure that the IFRS standards are fully interoperable with jurisdiction-level standards, whether in the EU, the US or elsewhere.

In addition, technical working groups have been set up within IFRS as well as in IOSCO. The IFRS group is developing the prototype climate reporting standard I mentioned earlier. And the IOSCO group will assess this emerging standard with a view to potential endorsement for use across its extremely large membership.

endorsement of IFRS accounting standards.

The current aim is for the new Sustainability Standards Board to be set up by COP26³ and climate standards to be issued as early as mid-2022.

To sum up, we are looking to IFRS to deliver a sophisticated baseline climate reporting standard, building on the TCFD framework, which can then be adopted and mandated across jurisdictions.

This standard should be fit for investor needs and provide a basis for the development of credible, independent sustainability audits. It will evolve dynamically and in time also embrace sustainability topics in addition to climate.

We fully recognise that individual jurisdictions will introduce their own sustainability disclosure requirements. But we need to ensure that the overall effort delivers the level of global consistency and comparability that investors desperately need.

ESG data and ratings

The second area IOSCO is focussed on relates to ESG data providers and ESG rating services.

This is a big challenge given that most jurisdictions do not have regulatory frameworks which explicitly cover these activities.

Many on the buy and sell sides have signalled how confusing the multiplicity of different ESG ratings choices can be, once again raising serious questions about relevance, reliability and greenwashing. So we are now working on ways to ensure better transparency and clearer definitions.

Our work is likely to involve guidance to service providers and rating agencies, together with recommendations for regulators on how to deal with potential conflicts of interest. We expect to publish our report on data providers and ratings by mid-July.

Asset management industry

