

IFAC Summit | 7 November 2024 | Paris
Jean-Paul Servais, IOSCO Board Chair Video Address

Good morning everyone.

Before anything, I want to thank Lee and IFAC Colleagues for the kind invitation to speak today.

I am sorry I could not be with you, but I am currently chairing an IOSCO Board Meeting where we will be discussing important deliverables around sustainable finance.

Having started my career as a financial auditor in 1990, the issue of corporate reporting of financial or non-financial information has a particular meaning for me.

This first professional experience made me realise that reliable, timely and publicly available information is the bedrock to well-functioning capital markets.

When IOSCO first discussed its role with regards to sustainability, more than five years ago, the world was confronted with an alphabet soup of voluntary disclosure frameworks; the information provided by corporates was incomplete, incomparable, and sometimes incorrect.

So, IOSCO set itself the challenge of building stronger foundations for sustainable finance markets, in the same way it had done for financial reporting almost two decades before.

We advocated for the establishment of the International Sustainability Standards Board under the umbrella of the IFRS Foundation. We worked closely with Lee then, in his prior role, and it is a pleasure to continue to see his engagement on ensuring the global accounting profession delivers on this challenge.

Since my appointment as IOSCO Board Chair in 2022, I insisted on the importance of delivering this at speed, and I am pleased that many others heard my call for speed.

When the ISSB finalised its first set of standards in June 2023, IOSCO assessed them and endorsed them with a sense of urgency because we felt those Standards could:

- serve as an effective global framework for consistent and comparable approaches to mandatory or voluntary reporting,
- meet core investor and capital markets needs,
- and form the basis for the development of a robust audit and assurance framework.

This endorsement prompted more than 20 jurisdictions to take steps to integrate these standards into their regulatory regimes within just one year! Together, these jurisdictions represent over 40 % of global market capitalisation and almost 55% of global GDP.

Since our endorsement, we have closely engaged with the ISSB as they developed their *Inaugural Jurisdictional Guide* for the adoption or use of ISSB Standards.



There is a clear recognition that this journey is challenging, notably for many emerging markets.

We are therefore working with the ISSB and with the World Bank to assist jurisdiction in the design of their own roadmaps for implementation or other use and provide technical support.

The good news is implementation is progressing at pace – even if jurisdictions may progress at different speeds.

Global markets need to speak in a consistent and comparable language and, in one way or another – we must move towards implementation or other use of the global framework; including voluntary use by corporates.

I anticipate that over 130,000 corporates will eventually be reporting sustainability related disclosures in one form or another under the ISSB framework.

I know from my time working as an auditor that disclosures are not sufficient. The connected Assurance and Ethics are key, as the title of your conference illustrates!

That's why IOSCO set out its vision of what is a strong assurance framework for sustainability-related reporting and called for IAASB and IESBA to develop standards that are focused on the public interest, profession-agnostic and framework agnostic.

This journey is progressing at good pace. On 20 September, the IAASB approved their sustainability assurance standard and I understand Tom Seidenstein will be speaking to today. Tom, congratulations on delivering this milestone.

IOSCO will now assess whether we feel the standard meets our expectations, and if we deem it so, we will encourage jurisdictions to make use of the standards taking into account national arrangements.

IESBA has also made significant strides to deliver standards on the ethical, including independence, considerations associated with it. I would like to commend the hard work of Gabriela and her board. IOSCO will assess them in the same way as the assurance standards, looking to complete the ecosystem framework in early 2025.

Further implementation support materials and other capacity-building efforts can contribute to enhancing trust in the sustainability-related information provided to investors.

More than ever, your actions and those of your respective members matter.

I can only recommend you to work with your regulators and standard setting bodies as they look to implement ISSB in their jurisdictions and to work within your corporates to promote voluntary implementation otherwise.

Be assured that IOSCO will continue to play a key role in promoting global consistency in the assurance of sustainability-related information.

Ladies and Gentlemen, Thank you for your attention and I wish you an insightful day.
