



Mr Erkki Liikanen
Chair, IFRS Foundation Trustees
IFRS Foundation Columbus Building
7 Westferry Circus, Canary Wharf
London E14 4HD

30 October 2026

Dear Mr Liikanen,

Subject: Proposed Targeted Amendments to the IFRS Foundation Constitution

The International Corporate Governance Network (ICGN) welcomes the opportunity to comment on the IFRS Foundation's Exposure Draft, Proposed Targeted Amendments to the IFRS Foundation Constitution.

Led by investors responsible for assets under management of >US\$100 trillion, ICGN is an authority on global standards of corporate governance and investor stewardship. Headquartered in London, our membership is based in more than 40 countries. ICGN's [Global Governance Principles](#) and [Global Stewardship Principles](#), written from an investor perspective, are widely used by our members in their company assessments and voting decisions, and by regulators when developing corporate governance rules.

The IFRS Foundation, and the work of both the International Accounting Standards Board (IASB) and International Sustainability Standards Board (ISSB), are highly valued by investors and are critical to the effective functioning of global capital markets. ICGN is a strong supporter of high-quality, independent standard-setting and of the broad-based adoption of IFRS Accounting Standards and IFRS Sustainability Disclosure Standards around the world.

We therefore agree that it is essential that the IFRS Foundation and its standard-setting Boards remain financially sustainable and are able to operate effectively over the long term. We recognise the importance of ensuring that the Foundation makes efficient and responsible use of its resources.

At the same time, cost savings should not come at the expense of the quality and effectiveness of standard-setting. In particular, any changes to Board composition should preserve an appropriate breadth of technical expertise, professional backgrounds and perspectives, as well as sufficient capacity for meaningful and active stakeholder engagement.

Our responses to the specific questions are set out below.

Question 1: Do you agree with how the Trustees propose to amend the Constitution to implement their decision to reduce the size of the boards by:

- (a) specifying a range for board membership; and**
- (b) amending the geographical allocation of members to maintain appropriate international diversity and balance?**

If not, why not and what would you propose instead and why?

We support the principle of specifying a flexible range for Board membership, provided that decisions on Board size are transparent, evidence-based and do not result in a loss of technical capacity, diversity of perspectives or meaningful stakeholder engagement.

We agree that a flexible Board model can have advantages over a fixed membership number. It can allow the Trustees to respond to the evolving needs and workloads of the IASB and ISSB and can facilitate effective succession planning over time.

However, we have concerns about an overarching objective of reducing the number of Board members. The effectiveness of the IASB and ISSB does not depend simply on the number of Board members, but on having a sufficient range of views, technical expertise, professional backgrounds, market experience and geographical perspectives represented around the table.

These considerations are particularly important in a fast-changing corporate reporting environment. A smaller Board could increase the workload carried by each Board member and reduce the overall breadth of expertise available to inform technical deliberations.

We also consider active stakeholder outreach to be a core part of effective standard-setting. ICGN particularly values the excellent and ongoing engagement that both the IASB and ISSB have maintained with ICGN, our members and the wider investor community. We hope to see this level of engagement continue over the long term. Any reduction in Board size should therefore be implemented in a way that ensures Board members continue to have sufficient capacity to engage directly and meaningfully with users of the Standards.

The Exposure Draft states that “*The Trustees will determine the number of members for each board having regard to the boards’ respective priorities and workloads*” (p. 6) but does not set out detailed criteria governing how those decisions would be made.

It would therefore be helpful for the Foundation to explain:

- How the Trustees would assess and weigh the Boards’ priorities, workloads and operational needs when determining the appropriate number of members within the 8-12 range, including the complexity of the technical agenda and the capacity required for effective stakeholder engagement.
- How appointment and succession-planning decisions would ensure that an appropriate breadth of technical expertise, professional backgrounds and perspectives is maintained as Board size changes.

- How frequently Board size and composition would be reviewed, and whether the rationale for such decisions would be communicated transparently to stakeholder.

We support the objective of maintaining broad international balance in the composition of both Boards. While some flexibility in geographical allocation may be appropriate, it is important that a smaller Board continues to incorporate a sufficiently broad range of jurisdictional and market perspectives in its decision-making.

Geographical diversity should also be considered within regions, particularly in Asia-Oceania, which encompasses markets with different corporate governance structures, regulatory environments and stages of sustainability reporting adoption. With the proposed allocation of only two designated members from Asia-Oceania, there is a risk that important perspectives, particularly those of emerging markets, may not be adequately reflected. We therefore encourage the Trustees to consider diversity of market experience within each region when making appointments, including to at-large positions, rather than focusing solely on geographical allocation between regions.

Greater transparency around these processes would help provide stakeholders with confidence that flexibility in Board size will be exercised in a manner that protects the quality, independence and effectiveness of standard-setting.

Question 2: Do you agree with the Trustees' decision to propose no changes in the Constitution:

- (a) to the main provisions related to part-time board membership; and**
- (b) to the main qualifications for membership of the boards?**

If not, why not, and what would you propose instead and why?

We support retaining the existing qualification requirements for Board members but believe the provisions for part-time membership should be considered carefully in the context of the proposed reduction in overall Board size.

We agree that professional competence and recent relevant professional experience should remain the main qualifications for membership of the IASB and ISSB. We also support the continued emphasis on ensuring an appropriate combination of technical expertise and diverse international business, market and professional experience.

We particularly emphasise the importance of maintaining strong investor and other end-user perspectives on both Boards. The ultimate purpose of IFRS Accounting Standards and IFRS Sustainability Disclosure Standards is to provide decision-useful information to capital market participants. It is therefore important that any reduction in Board size does not diminish the representation of those who use corporate disclosures to inform investment and stewardship decisions. Direct investor experience is valuable in ensuring that the information needs of capital market participants remain central to technical deliberations.

We recognise that retaining some flexibility to appoint part-time members can be beneficial. It may allow the Foundation to attract individuals with particular specialist skills and experience who might otherwise be unable to commit to a full-time appointment.

However, we are concerned about the interaction between a smaller Board and the number of part-time members. If the overall number of Board members falls, the same absolute number of part-time members would account for a considerably larger proportion of the Board. This could compound the potential capacity constraints associated with reducing Board size.

Part-time arrangements should therefore be managed in a way that ensures each Board continues to have sufficient capacity to undertake its technical work, engage actively with stakeholders and deliver its work programme effectively.

We strongly support the proposal that the Chairs of both the IASB and ISSB should be full-time members. Given the leadership, technical and stakeholder-engagement responsibilities of these roles, we believe a full-time commitment is important to the effective operation of both Boards.

Question 3: Do you agree with how the Trustees propose to update the voting requirements in the Constitution to facilitate effective decision-making for the smaller boards? If not, why not and what would you propose instead and why?

Yes. We support the proposed voting arrangements, including the simple-majority-plus-one approach for the approval of Exposure Drafts and Standards.

However, we recommend clarification regarding the minimum number of members required for the Boards to operate effectively. The Exposure Draft notes that the minimum requirement of five affirmative votes would technically allow a Board to operate with only five members, notwithstanding the proposed normal membership range of eight to 12. We encourage the Trustees to clarify the circumstances under which a Board might operate with fewer than eight members, how long such arrangements could remain in place, and what safeguards would ensure that decisions taken in these circumstances continue to benefit from sufficient technical scrutiny and maintain stakeholder confidence.

Question 4: Do you agree with the other proposed targeted amendments to the Constitution?

- Board member terms: We support retaining the principle that a Board member's total term would normally be no more than eight years, with the possibility of extending this to a maximum of 10 years in exceptional circumstances, while introducing greater flexibility in the length and structure of individual appointments and renewals. We consider this consistent with the wider objective of enabling effective succession planning and allowing the Trustees to respond flexibly to the evolving needs and composition of the Boards.
- IASB work-plan consultation: We support clarifying that the IASB may establish a work plan for a period shorter than five years.
- Basis for Conclusions: We support clarifying that a Basis for Conclusions must accompany an IFRS Standard or Exposure Draft.

- Managing Director: We support the proposed amendments clarifying the role of the Managing Director, including the scope of delegated operational authority and the ultimate oversight responsibilities of the Trustees.
- ISSB transitional provisions: We support removing the temporary provisions introduced during the establishment of the ISSB where these are no longer required.

Thank you again for the opportunity to share our perspective and we would be pleased to engage further with the IFRS Foundation on these matters. If you would like to follow up with questions or comments, please contact our Global Policy Director, Peter van Veen or Senior Policy Executive, Ayan Tewari (policy@icgn.org).

Yours faithfully,



Jen Sisson

Chief Executive Officer, ICGN