Michael G. Ryan
CEO
Qatar Financial Centre Regulatory Authority
PO Box 22989
Doha, Qatar

13 March 2025

Dear Mr. Ryan,

Subject: Amendments to General Rules on Corporate Sustainability Reporting

The International Corporate Governance Network (ICGN) appreciates the opportunity to comment on the Qatar Financial Centre Regulatory Authority's *Proposed Amendments to General Rules on Corporate Sustainability Reporting*.

Led by investors responsible for assets under management of >US$90 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.

We note that the Qatar Stock Exchange has already introduced *Guidance on ESG Reporting* in 2017. The Qatar Financial Centre Regulatory Authority now proposes to amend the *General Rules 2005* to include requirements on corporate sustainability reporting. This presents an opportunity to further elevate local standards, enhancing alignment with global best practices.

We welcome the Regulatory Authority's efforts to align its proposed Corporate Sustainability Reporting framework with the International Sustainability Standards Board's (ISSB) Standards. ICGN supports the ISSB's mission to develop a global baseline of sustainability-related corporate disclosures.[1] Investors have been calling for comparable, reliable, and verifiable corporate sustainability disclosures, grounded in financial materiality, to make informed investment and stewardship decisions, and for their own reporting to beneficiaries. Global adoption of the ISSB Standards is key to achieve this.

We believe the adoption of the ISSB standards will contribute to greater transparency on companies' exposure to and management of sustainability risks and opportunities. This is an important step for efficient capital markets and sustainable economies. In May 2024, ICGN, alongside 121 investors, companies, industry associations and stock exchanges have signed on to a call for commitment from relevant authorities across jurisdictions to adopt the ISSB standards.[2] So far, jurisdictions representing over half the global economy by GDP announced steps to adopt or use the ISSB Standards.[3]

[1] ICGN Letters "Inaugural global sustainability disclosure standards, International Sustainability Standards Board (ISSB)" (26 June 2023)
[2] PRI, London Stock Exchange Group, UN Sustainable Stock Exchanges initiative, World Business Council for Sustainable Development, "Call to Action: ISSB Global Adoption" (22 May 2024)
[3] IFRS Foundation, "Jurisdictions representing over half the global economy by GDP take steps towards ISSB Standards" (28 May 2024)

Investors need to be able to draw comparisons - across companies, markets, sectors and over time - for their analyses. To ensure comparability of information, we encourage the Regulatory Authority to adopt the ISSB Standards without substantial modifications, to the greatest extent possible.

We note that the Regulatory Authority proposes allowing subsidiaries to meet their reporting requirements using group level accounts prepared in accordance with either the ISSB Standards or highly aligned standards, such as the European Sustainability Reporting Standards (ESRS). While highly aligned, differences exist between the two standards, and the European Commission's recent proposal for an 'omnibus' to amend sustainability reporting rules, including the ESRS,[4] may further affect their alignment. We therefore recommend the Regulatory Authority to clarify that subsidiaries submitting ESRS-based group level accounts should apply the ESRS in line with the ISSB-ESRS *Interoperability Guidance*.[5]

Thank you again for the opportunity to share our perspective. We appreciate the initiative and look forward to continued engagement on this important topic.

Yours faithfully,

Jen Sisson

Jen Sisson
Chief Executive Officer, ICGN

[4] European Commission, 'Proposal for a Directive of the European Parliament and of the Council amending Directives 2006/43/EC, 2013/34/EU, (EU) 2022/2464 and (EU) 2024/1760 as regards certain corporate sustainability reporting and due diligence requirements' (26 February 2025)
[5] IFRS Foundation and European Financial Reporting Advisory Group, 'ESRS-ISSB Standards: Interoperability Guidance' (2 May 2024)