BUSINESSEUROPE

IFRS Foundation
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16 November 2026

Dear Trustees,

Re: Proposed Targeted Amendments to the IFRS Foundation Constitution

BusinessEurope welcomes the opportunity to comment on the exposure draft Proposed targeted amendments to the IFRS foundation constitution.

We generally support the ambition and needed flexibility for the Foundation to continue the transformation of the boards and the organisation and at the same time ensure the organisation remains fit for the future and can continue to serve as the global standard setter for corporate reporting to capital markets.

Notwithstanding our general support we would like to make the following remarks and proposals.

Size of boards

We understand that the Trustees propose that each of the boards would usually consist of 10 board members with the flexibility of having eight to 12 members depending on the priorities and current workload, and to ensure efficiency and effectiveness of the boards. We believe that a Board consisting of only eight members would generally be too small to cover effectively the needs of stakeholders. We therefore suggest that the boards should ideally consist of 12 members with a minimum of 10, except for occasional short time-periods where it should be permissible to go below the normal number of board members to provide for efficient on- and off-boarding of board members relevant for specific projects. Such a temporary shortfall should not exceed two members.

Qualification of board members vs. geographical allocation

We would like to emphasize the importance of having a fair geographical allocation of the board members to reflect the IFRS constituency and we would suggest that within the geographical allocation proposed, at least one of the European members should be from the European Union.

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Given the reduction of the board sizes, we would, however, like to emphasize the importance of the qualifications and relevant experience of the boards, and particularly the importance of the requirement for "*sufficient members with … preparer experience to ensure that … the practical implementation and cost implications for preparers are appropriately reflected in board discussions*" (page 9, last bullet). We suggest that qualifications, and especially the appointment of members with preparer backgrounds, should take precedence over the geographical allocation of the boards to ensure the Trustee can appoint a board with the best possible set of qualifications and experience. This becomes particularly important for boards with less than 10 members on a temporary basis,

Part-time board members vs. board size

We support the proposed amendments providing for better use of part-time board members (section 25A and 44A) and believe this is an important measure to ensure the right competencies are available in each of the two boards depending on the active/future projects, e.g. through employment of board members with certain relevant competencies. We assume that it also provides the flexibility for a full-time board member to "step down" and become a part-time board member e.g. when a project is the finalisation phase and the board member is not to be engaged in other major projects.

We would, however, be concerned about the IASB board's ability to deliver on key projects and keep up with the expected deliverables if the board consisted of three part-time members when the board has temporarily reached the minimum size of eight members. We therefore suggest limiting the number of part-time board members to only two when the board consists temporarily of only 8 members, while it can have up to 3 part-time members (as proposed) when the total number of board members is nine or above. Furthermore, we suggest adding the same exemption for reduction of part-time members if a full-time member leaves the board as has been included in paragraph 44A for the ISSB.

Initial appointment

While we support the intention behind the amendments made to section 31 and 50 whereby board members initially can be appointed for up to five years, we are concerned that an initial appointment of three or less years would not be appropriate given the complexity of the boards and the fact that the board member needs to be able to participate in the debate and decisions on all matters. We would therefore suggest that the appointment should not be of less than four years except for exceptional cases, e.g. for expertise on specific sustainability projects expected to be concluded within a shorter timeframe. Any initial appointment for less than four years should always happen under careful consideration of the Trustees ensuring sufficient competences of the board, the reason for such a short-term engagement and in the light of the current and upcoming projects.

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Generally, we do not believe that any part-time members should initially be appointed for less than four years and suggest the Foundation carefully considers the appropriateness of very short-term board members against the alternative of employing the person as an expert to the organisation as part of the project team, which we believe would be more efficient.

Sunset clause

Sine the exposure draft proposes relatively significant changes to the composition of the two boards, we suggest including a "sunset" clause whereby the efficiency and effectiveness of each of the two board are evaluated five years after the amendment of the constitution. The evaluation should at least be discussed with the Advisory Council and if the evidence is not convincing the board size should revert to the current size until a new constitution has been proposed and approved though normal due process.

If you require any further information about our response, please do not hesitate to contact us.

Yours sincerely,



Erik Berggren
Senior Adviser