



31 August 2021

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

Dear Mr Liikanen,

INTERNATIONAL SUSTAINABILITY STANDARDS BOARD

As we set out in our response¹ last year to your Consultation Paper on Sustainability Reporting, ICAEW strongly agrees that there is an urgent need for a global set of high quality and authoritative standards for improved non-financial reporting, especially in relation to climate and sustainability generally. We see the IFRS Foundation as uniquely well-placed to develop and deliver this, and we therefore commend you and the Trustees for the pace with which you are proceeding towards the establishment of an International Sustainability Standards Board (ISSB) ahead of the 26th UN Climate Change Conference of the Parties (COP26), to be held in Glasgow in October and November.

You will soon decide on a location for the ISSB: this will obviously be critical to its future success, not only regarding its ability to attract and retain talent of the very highest calibre but also shaping how it engages with policymakers and scientific, professional, academic, financial and business networks worldwide. We understand that the UK Government also welcomes the establishment of the ISSB and is writing to you separately on how it wishes to support its development and the production of international sustainability standards in practical terms. This will doubtless play a significant part in your decision making.

However, I am sure that you will wish to consider other factors as well. I am writing to you on behalf of an extensive grouping of bodies and organisations representing key sections of the private sector and civil society (a list is attached), all of whom believe that the wider arguments for hosting the ISSB in the UK are compelling. Our unanimous view is that the ISSB will have a pivotal role in enabling a world of sustainable economies, but that time is of the essence. It is therefore vital that its work gets underway quickly, and that it achieves traction and impact as soon as possible. Locating the ISSB here - alongside the IASB and building on its existing resources and

¹ ICAEW Representation 116/20 issued 21 December 2020

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relationships - makes practical sense and represents the swiftest and most efficient way of accomplishing that.

The Trustees will already be familiar with the outstanding advantages of the UK as a base for an international standard-setting body: it is the world's pre-eminent global financial centre and, as such, it offers the ISSB access to concentrations of expertise across all financial and commercial disciplines – including a growing professional ESG community - and exceptional worldwide connections. Governance standards generally in the UK are high, and professional services here are recognised for their quality, openness, international outlook, and culture of collaboration. The largest and most diverse cluster of firms across all the major financial and professional services industry sub-sectors is based in London, supported by strong regional centres of excellence across the country and a world class academic sector. Specifically, the UK is a world leader in sustainable finance², reinforced by the Presidency of COP26, with a well-developed ecosystem featuring international participants, high levels of specialist skill, knowledge and experience, scale and depth of capital and strong political engagement.

I appreciate of course that the possible location of the ISSB is a matter for discussion between the Trustees and interested national governments. I will conclude by saying that the case for the UK to be selected has the full support of ICAEW and the bodies and organisations we are speaking for on this occasion.

I wish you well in your deliberations, and I look forward to your decision.

Yours sincerely

A handwritten signature in black ink that reads "Michael Izza". The signature is written in a cursive, flowing style.

Michael Izza
Chief Executive

Copy to: Lee White, Executive Director, IFRS Foundation

² City of London Corporation: *Championing Sustainable Finance: The UK's Global Offer*, published July 2021: <https://www.cityoflondon.gov.uk/supporting-businesses/economic-research/research-publications/championing-sustainable-finance>

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