



Consultation Paper

Proposed Criteria for Modification Framework

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March 2024

This Consultation Paper closes for comments on June 10, 2024.

The Canadian Sustainability Standards Board (CSSB) welcomes feedback from any interested party on any or all the questions posed in this Consultation Paper.

You can provide feedback to the CSSB on the proposals in a variety of ways:

- Participate in the [Connect.FRASCanada.ca](https://connect.frascanada.ca) survey.
- Write a response letter and upload it via our [online form](#). Response letters can be addressed to:

Lisa French
Vice-President, Sustainability Standards
Sustainability Standards Board
277 Wellington Street West
Toronto, Ontario M5V 3H2

Note: Responses will be posted online shortly after this Consultation Paper closes for comment. Confidentiality can be requested when uploading letters via the online form and participating in the survey.

Helpful tips when participating in a consultation:

- Comments are most helpful if they relate to a specific paragraph or group of paragraphs found in the Consultation Paper.
- If you identify a potential issue in this Consultation Paper's proposals, we encourage you to clearly explain the issue and include a suggested alternative, supported by specific reasoning.
- The CSSB does not expect you to respond to every single question posed – only those to which you feel you can or should respond.

INTRODUCTION

The Canadian Sustainability Standards Board (CSSB) was established to serve the public interest by setting and maintaining high-quality sustainability disclosure standards for Canadian entities and by contributing to the development of high-quality, internationally recognized sustainability disclosure standards.

On June 26, 2023, the International Sustainability Standards Board (ISSB) released its first two IFRS® Sustainability Disclosure Standards: IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*.

Recognizing the significance of these standards, the CSSB has established criteria for modifying the IFRS Sustainability Disclosure Standards when formulating Canadian Sustainability Disclosure Standards (CSDSs) based on them. In fulfilling its role of serving the public interest and upholding the quality of sustainability disclosure in Canada, the CSSB may introduce additions, deletions and/or amendments to an IFRS Sustainability Disclosure Standard.

To facilitate transparency, the CSSB has released this Consultation Paper, detailing the proposed “Criteria for Modification Framework.” This Framework outlines the criteria that the Board intends to adopt. The Board invites feedback from interested and affected parties in Canada to ensure a comprehensive and inclusive review process.

Comments requested

While the CSSB welcomes comments on any or all the proposals in this Consultation Paper, it particularly welcomes comments on the questions listed below:

The CSSB’s proposed Criteria for Modification Framework presents the basis on which the CSSB would introduce changes to the IFRS Sustainability Disclosure Standards as issued by the ISSB. These criteria ensure that Canadian standards align with international standards while addressing Canadian public interest.

The CSSB recognizes the benefits of the IFRS Sustainability Disclosure Standards as issued by the ISSB in facilitating the global standardization of sustainability disclosure standards. The CSSB, therefore, supports incorporating these standards into the CSDSs to the fullest extent possible. The CSSB also recognizes that there may be circumstances in which amendments are required in the Canadian public interest.

1. Do you agree with the CSSB’s proposed criteria to assess modifications, namely additions, deletions and amendments to the ISSB’s global baseline standards? Please provide reasons.
2. Are there other criteria that the CSSB should consider including in its proposed Criteria for Modification Framework?

The deadline to provide comments to the CSSB is June 10, 2024.

PROPOSAL

Criteria for additions to, deletions from, or other amendments of IFRS Sustainability Disclosure Standards

The CSSB recognizes the benefits of global standardization of sustainability disclosure standards to the Canadian public interest and, therefore, supports the incorporation of IFRS Sustainability Disclosure Standards in Canada to the fullest extent possible. The Board also recognizes that there may be circumstances where amendments are required in the Canadian public interest. The following sets out criteria for the circumstances in which the Board would make amendments to the IFRS Sustainability Disclosure Standards in setting Canadian standards based on them:

1. Subject to paragraph 2 below, the CSSB will generally limit additions to, deletions from, or other amendments to an IFRS Sustainability Disclosure Standard to the following:
 - (a) Requirements or guidance, the application of which are not permitted by, or require addition, deletion or amendment to be consistent with, applicable Canadian law or regulation.
 - (b) Requirements or guidance, where the ISSB recognizes that different provisions or practices may apply in different jurisdictions and Canada is such a jurisdiction.
2. The CSSB may make additions, deletions and/or amendments to IFRS Sustainability Disclosure Standards with respect to requirements or guidance beyond those described in paragraph 1 above (including effective dates and transition periods) where it believes such additions, deletions or amendments are required to serve the Canadian public interest and maintain the quality of sustainability disclosure in Canada.

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