

Response to the IFRS Foundation Exposure Draft

Proposed Targeted Amendments to the IFRS Foundation Constitution

Respondent	Minerva Analytics
Exposure Draft	August 2026
Comment deadline	13 October 2026

About Minerva

Since 1995, Minerva has provided independent, objective and expert sustainable stewardship support services to professional investors. Although some stakeholders may only think of us as a “proxy adviser”, Minerva has, for many years, provided a range of complementary services to support clients in their stewardship responsibilities.

Stewardship Support	From policy development to vote reporting and manager vote audits, our expert analysts provide tactical support to institutional investors.
Shareholder Voting Research	Objective and independent analysis across the three critical dimensions – governance, sustainability and remuneration.
Vote Agency	Minerva was the pioneer of secure, point-to-point electronic vote execution and management tools.
ESG Data and Index Support	In addition to the core governance analysis, we also provide norms-based screening to enable clients to create bespoke ratings that support their investment thesis. Through our parent company, Solactive AG, Minerva’s data supports the creation of bespoke ESG and climate index solutions.

Minerva Analytics welcomes the opportunity to respond to the IFRS Foundation’s Exposure Draft, *Proposed Targeted Amendments to the IFRS Foundation Constitution*. Our response focuses on the governance implications of smaller standard-setting boards, particularly board capacity, geographical balance, investor representation, voting legitimacy and transparency.

We recognise the Trustees’ objective of ensuring that the IFRS Foundation remains operationally effective and financially sustainable over the long term. We also acknowledge that a reduction in board size may be a reasonable response to changing organisational priorities and resource constraints. Our concern is not with the principle of smaller boards per se, but with the potential implications for representation, legitimacy and stakeholder confidence in the standard-setting process.

Financial reporting has long served as one of the principal accountability mechanisms within capital markets. Long before the development of modern corporate governance codes, shareholders relied on audited corporate reporting to assess the stewardship of capital entrusted to boards and management.

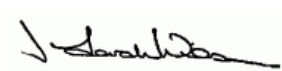
In the UK, this longstanding relationship between reporting, accountability and oversight has been reinforced since of the Cadbury reforms, which emphasised that effective governance depends on transparency, reliable reporting and the ability of investors to hold boards accountable for corporate performance and decision-making. In doing so, this established a principle now embedded in governance norms: disclosure is not merely a compliance exercise but a fundamental mechanism through which companies maintain trust with shareholders and capital markets.

This principle continues to underpin modern reporting frameworks and remains central to the legitimacy of global standard-setting. The IFRS Foundation's mission sits within the broader global tradition of promoting transparency, comparability and decision-useful information for investors and other users of corporate reporting. Investors are therefore not simply one stakeholder group among many; they are primary users of the reporting system. Confidence in setting standards depends both on technical quality and robust due process, and on confidence that primary-user perspectives are appropriately represented when Standards are developed and approved.

Should you have any questions about our individual responses, we would be happy to provide further background.

Thank you again for this opportunity. I confirm that we are content for our response to be published on your public portal if that is what is intended.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Sarah Wilson', with a long horizontal flourish extending to the right.

Sarah Wilson
Chief Executive

Overall position and summary recommendations

Position: Support the proposals in principle, subject to safeguards

Minerva supports the objective of maintaining an operationally effective and financially sustainable IFRS Foundation and recognises that smaller boards may be a reasonable response to changing priorities and resource constraints. However, greater flexibility over board size and composition should be accompanied by safeguards that preserve technical capacity, geographical legitimacy, stakeholder diversity and meaningful investor participation. Consultation mechanisms should complement rather than replace participation within the decision-making body.

Our principal recommendations are to require the Trustees to demonstrate and report how changes in board size affect technical capacity, investor and other primary-user representation, stakeholder diversity and geographical balance; strengthen reporting on regional and at-large appointments; ensure part-time membership remains proportionate to board capacity; support voting arrangements that preserve broad consensus, accompanied by transparent worked examples and monitoring; and undertake a formal post-implementation review.

Summary of recommendations

- Publish and periodically update an assessment of how board size affects technical capacity, investor and other primary-user representation, stakeholder diversity and geographical balance.
- Explicitly acknowledge in the final Basis for Conclusions that consultation and representation perform different and non-interchangeable functions.
- Establish and disclose safeguards for maintaining geographical balance and avoiding undue regional concentration, including through at-large appointments.
- Ensure part-time membership remains proportionate to board size and collective capacity.
- Establish an expectation of meaningful investor and other primary-user representation on both boards.
- Support the revised voting arrangements, subject to comprehensive worked examples, transparency about practical operation and ongoing monitoring.
- Publish regular board-composition and governance reporting.
- Undertake a formal post-implementation review after approximately three years or one full appointments cycle under the revised arrangements.

Board size and geographical allocation

Do you agree with how the Trustees propose to amend the Constitution by (a) specifying a range for Board membership and (b) amending the geographical allocation of members?

(1) Range for Board membership

Position: Support flexibility, subject to safeguards

We recognise that a reduction in board size may be a reasonable response to resource constraints and changing priorities. Our concern is not with smaller boards per se, but with whether each board can continue to maintain an appropriate balance of technical expertise, stakeholder perspectives, investor participation and geographical diversity.

A smaller board may facilitate efficiency and more focused decision-making, but it may also be less resilient to the loss of expertise, stakeholder perspectives and jurisdictional knowledge as terms expire and vacancies arise. The Trustees should therefore publish the criteria used to determine each board's size and report periodically on whether its workload, technical capacity, stakeholder engagement, primary-user representation and geographical balance remain adequate. Any material change in board size should be supported by published reasons and an assessment of its likely governance effects.

(2) and (3) Geographical allocation and at-large appointments

Position: Broadly agree with greater flexibility, but stronger geographical safeguards are required

Geographical allocation performs a legitimacy function as well as a representational one. Confidence in global standards depends on the diversity of markets, regulatory traditions and reporting environments being appropriately reflected in board composition.

We recognise the Trustees' rationale for greater flexibility through at-large appointments and for avoiding overly rigid geographical quotas. At-large appointments can support the selection of highly qualified candidates. However, on a smaller board, a larger proportion of at-large members could weaken visible geographical balance or create concern that influence is becoming concentrated among a narrower group of jurisdictions. This is particularly relevant for emerging and developing markets whose confidence is important to the global adoption and implementation of IFRS Standards.

Outreach, advisory groups and stakeholder consultation remain essential, but they cannot fully substitute for representation within the decision-making body. Board members deliberate and vote; staff advise; advisory groups make recommendations; and stakeholders submit comments. These functions are complementary but not interchangeable. The proposals may place insufficient weight on differences in stakeholders' institutional capacity, access to decision makers and ability to participate continuously in technical debates. Where access is unequal, increased reliance on consultation may amplify the influence of those best able to remain close to the process.

Greater flexibility should therefore be accompanied by transparent criteria for maintaining overall geographical balance, avoiding undue concentration from any single region and explaining how regional and at-large appointments contribute to the collective balance of each board.

Recommended safeguards

- Publish an assessment of how changes in board size and composition affect technical expertise, investor and other primary-user representation, stakeholder diversity and geographical balance.
- Establish and disclose criteria for maintaining overall geographical balance and avoiding undue concentration from any single region.
- Monitor and report on the cumulative effect of at-large appointments on geographical, professional and stakeholder balance.
- For each at-large appointment, explain how the appointment contributes to the collective skills, experience and geographical diversity of the relevant board.
- Publish periodic information on each board's geographical composition and explain material changes over time.
- Explicitly acknowledge in the final Basis for Conclusions that consultation and representation perform different and non-interchangeable functions.

Attributes of Board members

Do you agree with the decision to propose no changes to (a) the main provisions for part-time membership and (b) the main qualifications for Board membership?

(5) Part-time Board membership**Position: Agree, subject to safeguards**

Part-time membership can broaden the recruitment pool and help secure specialist expertise. However, the permitted number of part-time members should remain proportionate to the actual size and workload of each board and should not impair technical deliberation, preparation, stakeholder engagement or independence.

As board size reduces, the capacity effects of part-time membership become more significant. The Trustees should disclose how they assess collective board capacity. Any temporary departure from the ISSB's minority threshold for part-time membership following a full-time member's departure should be time-limited and disclosed, with an explanation of how sufficient capacity will be maintained until compliance is restored through the next appointment or reappointment.

(6) Qualifications for membership**Position: Agree with the existing framework, subject to investor and primary-user representation safeguards**

The existing emphasis on professional competence, recent relevant professional experience and a balanced combination of technical expertise and international business and market experience remains appropriate. The challenge is ensuring that these attributes remain present collectively on a smaller board.

A particular concern is investor and other primary-user representation. Such members test whether proposed requirements produce decision-useful, comparable and understandable information for capital allocation, valuation, stewardship and risk assessment. They also deliberate and vote on the trade-offs embedded in final Standards. These functions cannot be replicated through occasional outreach or consultation responses.

Participation in standard-setting is resource-intensive. Preparers, accounting firms, regulators and industry bodies often have greater institutional capacity to engage continuously than the dispersed investor community. Reliance on consultation alone may therefore amplify well-resourced perspectives while weakening the direct voice of primary users.

The precise balance of expertise may differ between the IASB and ISSB given their respective mandates and stages of development. Nevertheless, both boards should include meaningful primary-user experience and sufficient capacity to evaluate whether proposed requirements produce decision-useful information for capital-market participants.

The Trustees should establish and disclose an expectation of meaningful investor and other primary-user representation on both boards, including during the transition, and report regularly on members' professional backgrounds. This need not operate as a rigid quota, but it would help guard against representation declining materially through attrition as existing terms conclude.

Voting arrangements

(7) Do you agree with the proposed updates to voting requirements to facilitate effective decision-making by smaller Boards?

Position: Broadly agree, subject to transparency about practical operation

We recognise that the proposed voting arrangements are intended to preserve broad consensus while allowing smaller boards to operate effectively. We therefore broadly support aligning the voting framework with a reduced board size, provided the revised arrangements continue to support confidence in the legitimacy and robustness of board decisions.

The Foundation should supplement the examples in the Exposure Draft with a concise schedule showing the affirmative-vote requirement for each permitted board size and explain any consequential implications for potential blocking minorities and small-group meetings under the Due Process Handbook.

The practical effect of the arrangements should be monitored over time. Transparency regarding approval thresholds, potential blocking minorities, and consequential amendments to the IFRS Foundation Due Process Handbook would help stakeholders assess whether the revised approach continues to support confidence in the standard-setting process.

Other targeted amendments

(8) Do you agree with the other proposed targeted amendments to the Constitution?

Position: Broadly agree, with enhanced transparency and review

We have no specific concerns regarding the proposed clarifications to board-member terms, the timing of work-plan consultation, the requirement for a Basis for Conclusions, the Managing Director's role or the removal of temporary ISSB provisions.

However, the increased discretion created by the overall package should be matched by increased transparency. The Trustees should publish the criteria used to determine each board's size, explain material changes in operating size and report periodically on professional background, investor and other primary-user representation, geographical diversity, full-time and part-time status, vacancies and term lengths.

A formal post-implementation review should be conducted after approximately three years of operation or one full cycle of appointments under the revised arrangements, whichever provides the more meaningful evidence base. The review should assess whether anticipated efficiency and financial benefits were achieved and whether there were unintended effects on technical quality, workload, stakeholder engagement, geographical legitimacy, primary-user representation or the timeliness of standard-setting.

Reporting should identify changes over time and explain how vacancies, reappointments and at-large selections affect the collective balance of each board. This would help stakeholders determine whether increased flexibility and efficiency are being achieved without weakening the Foundation's global reach, diversity of viewpoints or broad-based legitimacy.

Invitation to Comment

Call for comments on the: Exposure Draft *Proposed Targeted Amendments to IFRS Foundation Constitution*

Deadline for completion of this Invitation to Comment:

Close of business, 13 October 2026

Please submit to:

UKEndorsementBoard@endorsement-board.uk

Introduction

The objective of this Invitation to Comment is to obtain input from stakeholders on the UKEB' Draft Comment Letter on the Exposure Draft (ED) *Proposed Targeted Amendments to IFRS Foundation Constitution*. The ED was published by the IFRS Foundation Trustees on 18 August 2026. The Trustees' comment period ends on 16 November 2026.

UK endorsement and adoption process

The UK Endorsement Board (UKEB) is responsible for endorsement and adoption of IFRS for use in the UK and is, therefore, the UK's National Standard Setter for IFRS. The UKEB also leads the UK's engagement with the IFRS Foundation (Foundation) on the development of new standards, amendments and interpretations.

Who should respond to this Invitation to Comment?

Stakeholders with an interest in the quality of accounts prepared in accordance with IFRS Accounting Standards.

How to respond to this Invitation to Comment

Please download this document, answer any questions on which you would like to provide views, and return it with the 'Your Details' form to UKEndorsementBoard@endorsement-board.uk by close of business on **13 October 2026**.

Brief responses to individual questions are welcome, as well as comprehensive responses to all questions.

Privacy and other policies

The data collected, through submitting this document, will be stored and processed by the UKEB. By submitting this document, you consent to the UKEB processing your data for the purposes of influencing the development of and adopting IFRS for use in the UK. For further information, please see our Privacy Statements and Notices and other Policies (e.g. Consultation Responses Policy and Data Protection Policy).¹

The UKEB's policy is to publish on its website all responses to formal consultations issued by the UKEB unless the respondent explicitly requests otherwise. A standard confidentiality statement in an e-mail message will not be regarded as a request for non-disclosure. If you do not wish your signature to be published, please provide the UKEB with an unsigned version of your submission. The UKEB prefers to publish responses that do not include a personal signature. Other than the name of the organisation/individual responding, information contained in the "Your Details" document will not be published. The UKEB does not edit personal information (such as telephone numbers, postal or e-mail addresses) from any other response document submitted; therefore, only information that you wish to be published should be submitted in such responses.

¹ These policies can be accessed from the footer in the UKEB website: <https://www.endorsement-board.uk>

Questions

Board size and geographical allocation of board members

1. The UKEB DCL proposes that the Trustees retain a normal minimum size of 12 IASB members. It does not support the proposal to introduce a range for board membership of between 8 and 12 members. Do you agree with the position in the DCL? If not, please give the rationale for your answer to question 1

Yes	☐	No	☒
Please see the attached response to the email.			

2. The UKEB's DCL does not support the ED proposal to amend the geographical allocation of members. The UKEB DCL proposes that the Trustees preserve stronger geographical representation requirements linked to jurisdictions and capital markets that adopt IFRS Accounting Standards. Do you agree with the position in the DCL? If not, please give the rationale for your answer to question 2.

Yes	☒	No	☐
Please see the attached response to the email.			

3. The UKEB DCL does not support the proposed substantial increase in the number of at-large appointments. Do you agree with the position in the DCL? If not, please give the rationale for your answer to question 3.

Yes	☒	No	☐
Please see the attached response to the email.			

4. Do you have any **other comments** on the UKEB's DCL in relation, or the ED proposals, in relation to board size and geographical allocation of members?

Click or tap here to enter text.

Attributes of Board members

5. The UKEB DCL raises certain concerns with the ED proposals relating to the attributes of Board members in paragraphs A42 - A51 of the Appendix to the DCL. These include the proposed number of part-time members and the ability for a smaller board to maintain an appropriate balance of skills, professional backgrounds and perspectives. Do you agree with the position in the DCL? If not, please give the rationale for your answer to question 5.

Yes	☒	No	☐
Please see the attached response to the email.			

6. Do you have any **other comments** on the ED proposals in relation to attributes of Board members?

Please see the attached response to the email.
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Voting arrangements

7. The UKEB DCL proposes that the Trustees should retain a super majority style voting threshold for publication of Exposure Drafts and Standards. Do you agree with the position in the DCL? If not, please give the rationale for your answer to question 7.

Yes	☐	No	☒
Please see the attached response to the email.			

8. Do you have any **other comments** on the ED proposals in relation to voting arrangements?

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Other targeted amendments

9. The UKEB DCL recommends the IFRS Trustees enhance transparency regarding how future Board sizes will be determined, retain stronger constitutional safeguards rather than transferring significant discretion to the Trustees, and clarify governance, accountability and reporting arrangements. Do you agree with the position in the DCL? If not, please give the rationale for your answer to question 9.

Yes	☒	No	☐
As discussed in our response to (1) Board Size, (2) Geographical Allocation, and (6) Qualifications for Membership, reductions in Board size may have implications for the diversity of perspectives available during deliberations, the balance of stakeholder representation and the concentration of influence within the decision-making process.			

10. Do you have any **other comments** on the ED proposals for other targeted amendments?

N/A.

Other comments

11. Do you have any **other comments** on the UKEB's Draft Comment Letter?

Click or tap here to enter text.

Response generation

12. Did you/your organisation use a large language model (e.g. Chat GPT, Microsoft Copilot) to create any part of your/its response (response to this Invitation to Comment or a comment letter you are submitting as part of your response)?

Yes	☐	No	☒

If you answered yes to Question 6, please specify which model and what prompt(s) you used for the large language model.

Click or tap here to enter text.

Thank you for completing this Invitation to Comment

**Please submit this document
by close of business on 13 October 2026 to:
UKEndorsementBoard@endorsement-board.uk**