

European Financial Reporting Advisory Group (EFRAG)

EFRAG is a private association established in 2001 with the encouragement of the European Commission to serve the public interest. EFRAG extended its mission in 2022 following the new role assigned to EFRAG in the CSRD, providing Technical Advice to the European Commission in the form of fully prepared draft EU Sustainability Reporting Standards and/or draft amendments to these Standards. Its Member Organisations are European stakeholders and National Organisations and Civil Society Organisations. EFRAG's activities are organized in two pillars: A Financial Reporting Pillar: influencing the development of IFRS Standards from a European perspective and how they contribute to the efficiency of capital markets and providing endorsement advice on (amendments to) IFRS Standards to the European Commission. Secondly, a Sustainability Reporting Pillar: developing draft EU Sustainability Reporting Standards, and related amendments for the European Commission¹.

Financial Reporting Activities

EFRAG is a member of the European delegation to the IASB Accounting Standards Advisory Forum (ASAF), a member of the International Forum of Accounting Standard Setters (IFASS) and has bilateral relationships with regional or national groups interested and involved in IFRS development. EFRAG also participates in the World Standard Setters meeting. EFRAG provides the Chairmanship and technical secretariat support for the period 2022 – 2024 of IFASS. IFASS is chaired by the EFRAG Financial Reporting TEG Chairwoman. The EFRAG CEO is a member of the IFRS Advisory Council. Whilst EFRAG's draft comment letters are published as a basis for EFRAG's due process in Europe, it is widely acknowledged that they attract interest way beyond Europe.

Furthermore, EFRAG enjoys a constructive relationship with the IASB in many ways: EFRAG welcomes IASB members and staff as observers to the EFRAG Financial Reporting TEG and its Working Group meetings; EFRAG staff cooperates with the IASB staff on a frequent basis; the IASB participates in outreach events and field-testing organized by EFRAG in partnership with National Standard Setters in Europe and European stakeholder Organisations; and EFRAG and IASB leadership meet privately on a regular basis.

Sustainability Reporting Activities

EFRAG is in the process of implementing the sustainability reporting governance structure including the technical bodies aiming to be operational by the end of March 2022. The sustainability reporting standard-setting work is carried out on a project basis by the [Project Task Force on European Sustainability Reporting Standards \(PTF-ESRS\)](#). The PTF-ESRS entered into cooperation agreements with GRI, Shift, and WICI and had meetings with the IFRS Foundation's Technical Readiness Working Group. The cooperation with relevant international and European initiatives in the sustainability reporting (standard-setting domain), including the ISSB, is envisaged to be continued in the EFRAG permanent governance structure.

¹ <https://www.efrag.org/About/Facts>