

Ref. 0722/3127/MA
27th July 2022

Emmanuel Faber

Chair

International Sustainability Standards Board (ISSB)
International Financial Reporting Standards (IFRS) Foundation
Columbus Building
7 Westferry Circus
Canary Wharf
London E14 4HD
United Kingdom

Dear Mr. Faber,

**CIBAFI Comments on the ISSB Exposure Draft on “IFRS S2 Climate-related
Disclosures”**

The General Council for Islamic Banks and Financial Institutions (CIBAFI) presents its compliments to the International Sustainability Standards Board (ISSB) and takes this opportunity to express its appreciation of the work that the ISSB is undertaking to promote more integrated and streamlined global standards for sustainability reporting.

CIBAFI is the official umbrella for all Islamic financial institutions, whose services and products comply with the Shariah rules and principles. CIBAFI acts as the voice of the Islamic finance industry, and our members comprise more than 130 Islamic banks and non-bank financial institutions, both large and small, from more than 30 jurisdictions.

We welcome this opportunity to offer our comments and recommendations on the ISSB Exposure Draft (ED) on “IFRS S2 Climate-related Disclosures”. The comments contained in this letter represent the views of the CIBAFI Secretariat and feedback received from our members.

First: The ED provides overall requirements for the disclosure of climate-related risks and opportunities. Similar to the comments provided on the ED on “IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information”, CIBAFI and its members recommend the provision of additional guidance to ease smaller institutions’ application of these standards where their lack of resources could impede their ability to identify, measure, and report on climate-related information. This might in the longer term involve a tailored set of standards along the lines of IFRS for SMEs.

Second: The ED requires governance disclosures parallel to those required by ED IFRS S1, but for climate-related risks only. Similar comments apply to those made in that context.

Third: As in the case of ED IFRS S1, members noted that they have limited familiarity with preparing detailed climate-related disclosures and have not generally had to do so at the level of the industry-based requirements derived from the Sustainability Accounting Standards Board. CIBAFI considers that this should be taken into account when determining the effective date for the standard.

We remain at your disposal should you need any further clarifications on the above.

The General Council for Islamic Banks and Financial Institutions takes this opportunity to renew to the International Sustainability Standards Board (ISSB) the assurances of its highest respect and consideration.

Yours sincerely,



Dr. Abdelilah Belatik
Secretary General