



International Actuarial Association  
Association Actuarielle Internationale

## IAA Comment Template

### Draft Statement of Intent (SOI) for ISAP [8] IFRS S2 Climate-Related Disclosures

1. Do you agree that an International Standard of Actuarial Practice (ISAP) is needed on IFRS S2 Climate-Related Disclosures?

Yes

No

2. Are any of the proposed topics inappropriate for inclusion in ISAP [8]?

Yes

No

If yes, please explain why the particular topic should not be included.

### 3. What other topics should be included in ISAP [8]?

Please cover why you wish guidance in this area and if appropriate provide an example to illustrate the issue. Please note that the ISAP is not intended to address unique, country-specific issues. Member associations and local actuarial standard setting organizations could address such issues by providing additional guidance to their members as the ISAP is adopted or adding such additional guidance within the local adaptation of the ISAP.

These areas could be covered to provide actuaries more clarity, but we note the [Transition Implementation Group on IFRS S1 and IFRS S2](#) may cover some of these issues.

- **Relevant Knowledge Requirements**

- Para 20 of ISSB S2 says “an entity need not provide quantitative information about the anticipated financial effects of a climate-related risk or opportunity if the entity does not have the skills, capabilities or resources to provide that quantitative information”.
- The ISAP could outline relevant knowledge requirements (like para 2.1. of ISAP 4) to assist actuaries working in this area.
- This section could also comment on areas where knowledge should be built in collaboration with other disciplines and authorities.

- **Determination of the need, or not, to provide quantitative information**

- Para 19 of ISSB S2 details that ‘An entity need not provide quantitative information about the current or anticipated financial effects of a climate-related risk or opportunity if the entity determines that: (a) those effects are not separately identifiable; or (b) the level of measurement uncertainty involved in estimating those effects is so high that the resulting quantitative information would not be useful.
- Guidance on actuaries work under these clauses would be helpful

- **More balanced coverage of all quantitative areas of S2 in which actuaries are likely to be involved**

- The topics in the Statement of Intent, disproportionately focussed on climate scenario analysis. A number of majors area of S2 were not covered e.g. GHG emissions measurement and reporting, the financial position of the firm, Transition plans and carbon offsets. To better support actuaries performing work related to IFRS S2, topics could be expanded to include these topics.
- For example, Transition plans are a core area of ISSB S2 and many country-level climate related accounting and regulatory frameworks which should be covered in the ISAP. The actuarial skill set, in particular the principles of actuarial experience reviews, lend themselves well to setting a long-term transition plan; tracking actual experience/performance relative to a plan; attributing any differences to key drivers; and adjusting the plan based on experience.

**4. Please use this space for any additional comments not covered above.**

Globally the area of climate related financial disclosures is rapidly evolving. For example, data availability, best practice in the application of climate-related scenario analysis for entities, third party providers methodologies, are all still evolving. The ISAP should be principles based and reviewed regularly to ensure it remains appropriate.

**5. Please provide the name of the person completing the consultation response, association and email address for further clarifications (if needed).**

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**IMPORTANT:**

Please check if the relevant check boxes are ticked appropriately and save the file renamed with the organization’s or individual’s name (e.g., SOI\_CommentTemplate\_[NAME].Doc).

E-mail the file as an attachment to [SOI.ISAP8.comments@actuaries.org](mailto:SOI.ISAP8.comments@actuaries.org), with “ISAP[8]” in the e-mail header. **Please respond by Wednesday, 23 August 2023.**