



November 26, 2024

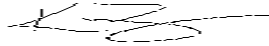
IFRS Foundation  
Columbus Building  
7 Westferry Circus  
Canary Wharf  
London E14 4HD  
UK

By E-mail: [commentletters@ifrs.org](mailto:commentletters@ifrs.org)

**Re: Exposure Draft – Climate-related and Other Uncertainties in the Financial Statements: Proposed illustrative examples**

The New York State Society of Certified Public Accountants (NYCPA), representing more than 19,000 CPAs in public practice, business, government and education, welcomes the opportunity to comment on the above-captioned proposed regulations.

The NYCPA's International Accounting and Auditing and Sustainability Accounting and Reporting communities of practice (Community) deliberated the exposure draft and prepared the attached comments. If you would like additional discussion with us, please contact Richard Jones, the chair of the Sustainability Accounting and Reporting Community, at (516) 463-6990, Edward Esposito, the vice chair of the Sustainability Accounting and Reporting Community, at (917) 796-6845, or Keith Lazarus, NYCPA staff, at 212-719-8378.

Sincerely,  
NYCPA  
  
NYCPA  
Kevin O'Leary  
President

Attachment



**NEW YORK STATE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS**

**COMMENTS ON  
EXPOSURE DRAFT – CLIMATE-RELATED AND OTHER UNCERTAINTIES IN  
THE FINANCIAL STATEMENTS: PROPOSED ILLUSTRATIVE EXAMPLES**

**November 26, 2024**

**Principal Drafters**

**Edward F. Esposito  
Stephen E. Franciosa  
Thomas J. Goodfellow  
Elliot L. Hendler  
Richard C. Jones  
J. Michael Kirkland  
Renee Mikalopas-Cassidy  
Lisa F. Quint**

## **NYCPA 2024–2025 Board of Directors**

Kevin P. O'Leary, <i>President</i>	Mathieu Aimlon	Kelly M. Mandell-Klumpp
Kevin Matz, <i>President-Elect</i>	Jamie L. Atkinson	Philip Marciano
William H. Dresnack, <i>Secretary/Treasurer</i>	Kurt Button	Nadia-Maria C. Matthie
Katelyn N. Kogan, <i>Vice President</i>	Anthony S. Chan	Andrew M. Mintzer
Shmueli Milecki, <i>Vice President</i>	Minhui Chen	Steven M. Morse
William D. Ryan III, <i>Vice President</i>	Elysa K. Dauerman	Andrea M. Pagano
John M. Spatola, <i>Vice President</i>	Frank J. DeCandido	Ronald F. Ries
A'Isha Torrence, <i>Vice President</i>	Timothy J. Doyle, Jr.	Lenore Sanchez
Calvin H. Harris Jr., <i>ex officio</i>	Michael R. Durant	William F. Schwenk
	Nicholas Eells	Mark M. Ulrich
	Mark L. Farber	Natalie Verbanac
	Stephanie Gigliotti	Liren Wei
	Orum� A. Hays	David G. Young
	Robert J. Huether	
	William C. Huether	
	Philip J. London	

## **NYCPA 2024–2025 Accounting and Auditing Oversight Community**

Sean C. Prince, <i>Chair</i>	Diane L. Jules	Renee Mikalopas-Cassidy
Joseph Farrenkopf	Jennifer A. Kartychak	Yigal Rechtman
Jean-Pierre Henderson	Angela V. Katehis	Robert M. Rollmann
Elliot L. Hendler	Steven R. Leidenfrost	Nick Tsoukaris
Richard C. Jones	Bonnie S. Mann Falk	

## **NYCPA 2024–2025 International Accounting and Auditing Community**

Jean-Pierre Henderson, <i>Chair</i>	Yamei Guo	Andrew M. Mintzer
Andreas A. Alexandrou	Charles A. Harris II	Sean C. Prince
Kathleen M. Bakarich	Nicholas Hart	William M. Stocker III
Francesco Bellandi	Richard C. Jones	Jingwei Tang
Michael Burke	Diane L. Jules	George I. Victor
Mitchell A. Davis	Michael R. McMurtry	Lily H. Wang
Jeffery M. Gellman	Renee Mikalopas-Cassidy	

**NYCPA 2024-2025 Sustainability Accounting and Reporting Community**

Richard C. Jones, *Chair*  
Edward F. Esposito, *Vice  
Chair*

Anthony J. Artabane  
Kathleen G. Brown  
Matthew T. Clohessy  
Timothy Coville  
James R. D'arcangelo, Jr.  
Daniel M. Drucker  
George Fanourakis  
John M. Farrell  
Stephen E. Franciosa  
Thomas P. Gallo  
Thomas J. Goodfellow  
Jean-Pierre Henderson  
Elliot L. Hendler

Gregory R. Holden  
Gabriel M. Hunigan  
Glenn W. Kempa  
J. Michael Kirkland  
Richard H. Kravitz  
Stephen F. Langowski  
Steven J. Leifer  
Vincent J. Love  
Santa J. Marletta  
Edward Mendlowitz  
Mitchell J. Mertz  
Renee Mikalopas-Cassidy  
Shmueli Milecki  
Christine A. Miller  
Tracey J. Niemotko  
Jason M. Palmer  
Ilene L. Persoff

Sujithkumar Pushpakaran  
Lisa F. Quint  
Renee Rampulla  
Ronald F. Ries  
Christopher A. Schreiber  
Paulette M. Small  
Philip C. Sookram  
Denise M. Stefano  
Jeffrey R. Steinberg  
William M. Stocker III  
Li Tao  
A'Isha Torrence  
Linda M. Voce  
Lori M. Voss  
Robert N. Waxman  
David C. Wright

**NYCPA Staff**

Keith N. Lazarus

## New York State Society of Certified Public Accountants

### Comments on

#### Exposure Draft – Climate-related and Other Uncertainties in the Financial Statements: Proposed illustrative examples

#### General Comments

We appreciate the opportunity to respond to this exposure draft. Although we are not responding to the specific questions, we have general comments, as follows:

1. We recommend the proposed illustrative examples be issued as educational material in a single document, rather than incorporating the illustrations as nonauthoritative information within various accounting standards to which they relate. We believe this “would allow stakeholders to refer to the examples as a package and make it easier for stakeholders to identify connections between the examples” (BC 45 of the Basis for Conclusions).
2. Limit the illustrations to those that focus on climate-related uncertainties only and eliminate the ones pertaining to non-climate uncertainties. Accordingly, we recommend this educational material be entitled *Illustrations of Climate-related Uncertainties in the Financial Statements*.
3. The educational material document should refer to: (a) IFRS S2 Climate-related Disclosures, which is effective for annual reporting periods beginning on or after January 1, 2024, and (b) IFRS’s Accounting Educational Material, *Effects of Climate-related Matters on Financial Statements*, republished in July 2023.
4. International Accounting Standard 1 *Presentation of Financial Statements* (IAS 1) requires disclosure of material risks and uncertainties, including climate-related and other environmental uncertainties, in the financial statements. However, as discussed above, we do not support including the proposed illustrative examples in the various accounting standards because: a) they suggest general disclosures about climate-related uncertainties where specific financial statement amounts are not currently impacted, and b) the company may not anticipate that such uncertainties will impact the financial statement reported amounts “within the next financial year,” (IAS 1, paragraph 125, *Sources of Estimation Uncertainty*); for example, we believe the disclosures suggested in Illustrations 1 and 2 apply to situations where the climate-related uncertainties extend beyond the next 12 months from the balance sheet date.
5. We acknowledge that climate-related and other environmental uncertainties might have impacts on amounts reported in the current period or next fiscal year’s financial statements, specifically with respect to an impairment under IAS 36, *Impairment of Assets*, or estimating a financial statement loss or expense (and related contingent obligation, where applicable) under IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*.

6. Additionally, we encourage ongoing collaboration between the IASB and the ISSB on enhancing the interconnectivity of their separate disclosure requirements.