



Implementation of IFRS S1 and IFRS S2 in the Maldives

Transitional reliefs and jurisdictional modifications
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Transitional reliefs and jurisdictional modifications

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Purpose of this publication

This publication sets out CA Maldives' jurisdictional approach to implementing IFRS S1 and IFRS S2, including the transition reliefs and jurisdictional modifications intended to support a proportionate and orderly implementation in the Maldives.

1. Background

On 12 August 2025, the Council of the Institute of Chartered Accountants of the Maldives (CA Maldives) announced its decision to adopt IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, issued by the International Sustainability Standards Board (ISSB).

The implementation approach in the Maldives reflects stakeholder consultation, market readiness and other local factors. In developing the approach, CA Maldives undertook the following activities:

- Stakeholder consultation: stakeholders were invited to submit observations or concerns on making the ISSB Standards a mandatory local requirement by 30 September 2025.
- Awareness sessions: CA Maldives conducted stakeholder engagement events on 12 November 2025 and 25 November 2025 to explain the requirements of IFRS S1 and IFRS S2 and to identify areas where transition support may be needed.
- Technical input: Sustainability reporting specialists were invited to discuss implementation challenges and respond to specific concerns.

The approach below was developed by the Technical and Standards Committee based on its research, stakeholder feedback, and consultations with technical experts.

2. Transitional reliefs

2.1 Extensions of transition reliefs included in IFRS S1 and IFRS S2

Standard	Relief	Description	Duration
IFRS S1	Climate-first reporting	For one additional annual reporting period, an entity may disclose information only on climate-related risks and opportunities in accordance with IFRS S2 and apply IFRS S1 only insofar as it relates to those disclosures. An entity using this relief must disclose that fact. This extends the relief in paragraph E5 of IFRS S1 to the first two annual reporting periods in which the entity applies IFRS S1.	One additional year following mandatory application.
IFRS S1	Comparative information	Where an entity uses the climate-first transition relief, comparative information is not required for climate-related risks and opportunities in the first annual reporting period after the two-year climate-first period. In the second and third annual reporting periods, comparative information is not required for sustainability-related risks and opportunities other than climate-related risks and opportunities. This extends the relief in paragraph E6 of IFRS S1 to the first two annual reporting periods in which the entity applies IFRS S1.	One additional year following mandatory application.
IFRS S2	Greenhouse gas measurement method	An entity that used a method other than the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) in the annual period immediately preceding initial application may continue to use that method for two additional years. This extends the relief in paragraph C4(a) of IFRS S2 to the first three annual reporting periods in which the entity applies IFRS S2.	Two additional years following mandatory application.
IFRS S2	Scope 3 greenhouse gas emissions	An entity is not required to disclose Scope 3 greenhouse gas emissions for two additional years. This extends the relief in paragraph C4(b) of IFRS S2 to the first three annual reporting periods in which the entity applies IFRS S2.	Two additional years following mandatory application.

2.2 Existing transition reliefs that continue without extension

- IFRS S1 paragraph E3: relief from presenting comparative information before the date of initial application.
- IFRS S1 paragraph E4: relief relating to the timing of reporting, as specified in IFRS S1.

- IFRS S2 paragraph C1: relief from presenting comparative information before the date of initial application.

3. Jurisdictional modifications

Standard	Relief	Description	Duration
IFRS S1	Anticipated financial effects	Entities are relieved from disclosing the anticipated financial effects of sustainability-related risks and opportunities under paragraph 34(b) of IFRS S1 during the first three years of mandatory reporting.	Three years following mandatory application. The modification will apply to each group of entities as that group is phased in.
IFRS S2	Anticipated financial effects	Entities are relieved from disclosing the anticipated financial effects of climate-related risks and opportunities under paragraph 15(b) of IFRS S2 during the first three years of mandatory reporting.	Three years following mandatory application. The modification will apply to each group of entities as that group is phased in.
IFRS S1	Resilience	Entities may defer disclosures about resilience assessment under paragraph 41 and 42 of IFRS S1 during the first three years of mandatory reporting.	Three years following mandatory application. The modification will apply to each group of entities as that group is phased in.
IFRS S2	Climate resilience and scenario analysis	Entities may defer disclosures about climate resilience and scenario analysis under paragraph 22 of IFRS S2 during the first three years of mandatory reporting.	Three years following mandatory application. The modification will apply to each group of entities as that group is phased in.