

IESBA Meeting Highlights and Decisions

December 2024

This summary of decisions of the International Ethics Standards Board for Accountants (IESBA) has been prepared for information purposes only. Except for documents approved for public exposure and issuance of final pronouncements, decisions reported on technical matters are tentative, reflect only the current status of discussions on projects, and may change after further deliberation by the IESBA.

The IESBA met in New York, USA on December 2-6, 2024. The video recording of the meeting is available on the IESBA [YouTube](#) channel.

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Sustainability

The IESBA approved the *International Ethics Standards for Sustainability Assurance (including International Independence Standards)* (IESSA) and other revisions to the Code relating to sustainability assurance and reporting.

Except for the independence provisions applicable to assurance work performed at value chain components (VCCs), the IESBA agreed to align the effective date of the IESSA with the effective date of the International Auditing and Assurance Standards Board's (IAASB) International Standard on Sustainability Assurance (ISSA) 5000, *General Requirements for Sustainability Assurance Engagements*, i.e., for sustainability assurance engagements (SAEs) for periods beginning on or after December 15, 2026, or as at a specific date on or after December 15, 2026.

With respect to the independence provisions applicable to assurance work performed at VCCs, the IESBA agreed to a longer effective date ("deferred effective date"), i.e., for SAEs for periods beginning on or after July 1, 2028 or as at a specified date on or after July 1, 2028, subject to certain requirements for SAEs involving assurance work performed at VCCs beginning, or as at a specific date, prior to this date.

The sustainability reporting-related revisions will be effective as of December 15, 2026.

The IESBA also discussed a draft Basis for Conclusions prepared by IESBA staff.

Subject to certification by the Public Interest Oversight Board (PIOB), the final pronouncement is expected to be issued by the end of January 2025.

Using the Work of an External Expert

The IESBA unanimously approved the final revisions to the Code relating to Using the Work of an External Expert. The IESBA also discussed a draft Basis for Conclusions prepared by IESBA staff.

The IESBA agreed to align the effective date of the provisions with that of the IESSA and ethics standards relating to sustainability reporting.

Subject to certification by the Public Interest Oversight Board (PIOB), the final pronouncement is expected to be issued by the end of January 2025.

Firm Culture & Governance

The IESBA considered and accepted the Firm Culture and Governance Working Group's (FCGWG) Final Report setting out the Working Group's findings and recommendations based on information gathering carried out in 2024.

On the basis of the FCGWG's recommendations, the IESBA also approved a project to commence in 2025 to develop a new standard incorporating an accounting firm culture and governance framework that emphasizes ethical values and supports the establishment of a strong ethical culture within accounting firms. The IESBA also agreed to initiate a separate workstream to develop non-authoritative materials (NAMs) that will complement the output of the standard-setting project.

In connection with the standard-setting project, the IESBA agreed to conduct a series of global in-person and virtual roundtables in Q1-Q2 of 2025 to gather input from a broad range of stakeholders. These roundtables will also help inform the IESBA's work on its NAM workstream.

Adoption & Implementation Working Group

The IESBA considered and approved the Terms of Reference for its Adoption and Implementation (A&I) Working Group. The objectives of the A&I Working Group include promoting and monitoring A&I of the IESBA's standards, with an initial focus in Phase 1 on the IESSA, Using the Work of an External Expert standards, and sustainability reporting-related revisions to the extant Code (Sustainability and Experts Standards). A more general A&I plan for all IESBA standards will be considered for Phase 2 by the IESBA, after the completion of Phase 1.

The IESBA supported the A&I Working Group's initial action plan, including activities relating to the launch of the Sustainability and Experts Standards, coordination and collaboration with IFAC and IAASB, implementation material to be progressively released during 2025, and stakeholder engagement activities and development of partnerships.

The IESBA also supported the continuation of its Sustainability Reference Group in 2025 to provide feedback on implementation materials to be developed on the Sustainability and Experts Standards.

The IESBA will receive an update from the A&I Working Group at its March 2025 meeting.

Mid-cycle Strategy Review

The IESBA considered a mid-cycle update on the progress of its commitments in the [IESBA Strategy and Work Plan 2024-2027](#). The IESBA also deliberated and agreed on its work plan for 2025 – 2027.

For its 2025 work plan, the IESBA accepted the IESBA Planning Committee's recommendations to prioritize the commencement of three new workstreams from Q3 2025, i.e., profession-agnostic independence standards for SAEs under Part 4B of the Code, post-implementation review of its NOCLAR® standard, and information gathering on the role of chief financial officers (CFOs) and other senior professional accountants in business.

PIE Rollout

The IESBA considered an update from the IAASB Program & Technical Director, Willie Botha, on Track 2 of the IAASB's Listed Entity and Public Interest Entity project ([IAASB PIE Project](#)).

Sustainability Communications Update

The IESBA considered a communications plan for the launch of the Sustainability and Experts Standards in January 2025, and discussed strategies for stakeholder engagement, messaging, and timing. The IESBA stressed the importance of the communication efforts to continue beyond the launch date to assist with adoption and implementation of the new standards.

Next Meeting

The next IESBA meeting is scheduled for March 10-12, 2025 in New York, USA.