

Proposed Australian-specific amendments in ED 01/25

The summary of the proposed Australian-specific material that has been included in the Exposure Draft is set out below:

- Incorporating new sustainability standards, “Australian Standards on Sustainability Assurance (ASSAs)” into the definition of “Assurance Engagement” in the Glossary.
- Highlighting that a sustainability assurance engagement must be performed by the entity’s auditor, who also audits the entity’s financial statements in Australia as set out in section 301A of *Corporations Act 2001* (proposed footnote to paragraphs R360.18a, R5360.18a and 5400.16a).
- Recognising the requirements of the *Corporations Act 2001* for sustainability assurance practitioners when performing sustainability assurance engagements in Australia (proposed footnote to paragraph 5100.4d).
- Recognising the independence obligations for sustainability assurance practitioners when performing sustainability assurance engagements set out in *the Corporations Act 2001* (proposed footnote to paragraph 5120.15 A2).
- Clarifying the AUASB’s prohibition of internal auditors in sustainability assurance engagements set out in ASSA 5000 (proposed footnote to paragraph 5605.1).
- The addition of Australian-specific amendments that broadly mirror those already in place in the extant APES 110 and align to the Australian-specific provisions of the extant APES 110, including:
 - the prohibition of certain relationships between a person or the firm and the audited body irrespective of materiality or the significance of the relation of financial interest set out in section 324CH(1) of *Corporations Act 2001* (proposed footnote to paragraphs R5520.4, R5520.5, R5522.4 A1, AUST R5523.3.1, 5524.3 A1, R5524.4, R5524.6 and R5524.7).
 - more restrictive time-on requirements for audit partners of listed company, listed registered scheme or registrable superannuation entity in Australia set out in section 324DA of *Corporations Act 2001* (proposed footnote to paragraphs R5540.7, R5540.8 A1, R5540.10, R5540.10a, R5540.11, R5540.13 and R5540.14)
 - ASIC granting extension for sustainability assurance engagements set out in section 324DA of *Corporations Act 2001* (proposed footnote to proposed paragraphs R5540.10 and R5540.11)
 - additional guidance in APES 310 *Client Monies* when sustainability assurance practitioners deal with client monies (proposed footnote to paragraph 5350.2)
 - defining “credible basis” for tax planning arrangement as a “reasonably arguable position” set out in section 284-15 of the *Tax Administration Act 1953* (proposed paragraph AUST 5380.12 A1.1).
 - mandate the documentation of specific information relating to tax planning services to align with the extant requirements in the extant Code (proposed paragraphs AUST 5380.26 and AUST 5380.26 A1)
 - addition of AUST paragraphs for consistency with the equivalent paragraphs in the extant Code (proposed paragraphs AUST R5114.3, AUST 5114.3 A1.1, AUST 5120.14 A1, AUST 5320.2.1, AUST R5330.4.1, AUST R5330.5.1, AUST R5330.5.2, AUST 5330.5.2 A1, AUST R5400.19.1, AUST R5411.4, AUST R5523.3.1, AUST R5523.5, AUST R5604.4, AUST 5604.4 A1.1, AUST R5604.4.1, AUST 5604.12 A2.1 and AUST R5604.12.1).
- Other consequential and conforming amendments to sections 520, 522, 523, 524 and 540 of the extant Code to reflect the revised terms used in the footnotes.