

Media Release

25 March 2025

New ethics and independence standards for sustainability reporting and assurance

The Accounting Professional and Ethical Standards Board (APESB) today announced proposed amendments to APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to facilitate the sustainability reporting and assurance regime in Australia.

The proposed new standards will provide ethical guidance to sustainability reporting and assurance practitioners to deliver the mandatory climate-related financial disclosures and sustainability reports now required for annual reports commencing for Group 1 Entities in Australia as specified in legislation from 1 January 2025.

These ethics and independence standards will underpin the public's trust in reporting and assurance of sustainability-related information and will promote transparent and relevant information that can be trusted by the public, government, regulators, and other stakeholders.

Guidance has been included for how professional accountants in business and public practice and sustainability assurance practitioners can evaluate whether an external expert has the necessary competence, capabilities and objectivity to ensure their work can be used for its intended purpose.

The amendments will help address the demand for reliable information to support decision-making and better equip practitioners to uphold the integrity and foster transparency in sustainability reporting and assurance.

The amendments incorporate recent revisions made by the International Ethics Standards Board for Accountants (IESBA) to the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the International Code).

APESB Chair Nancy Milne OAM said, "These standards are built on fundamental ethical principles for reporting and assurance, providing a robust foundation for delivering high-quality sustainability information.

"The proposed revisions to the Code provide clarity on the expected professional and ethical behaviours for sustainability-related matters, especially for firms performing assurance engagements on the new mandatory sustainability reports required by the *Corporations Act 2001*", she said.

The proposed amendments are included in two exposure drafts:

- *Proposed Australian Ethics Standards for Sustainability Assurance (including Independence Standards) and Other Revisions to the Code Relating to Sustainability Assurance and Reporting* (ED 01/25); and
- *Proposed Revisions to the Code Addressing the Work of an External Expert* (ED 02/25).

They are expected to be effective from 1 January 2026, with firms encouraged to adopt the changes as soon as possible. Transitional relief options are available to help practitioners and firms implement the changes.

The Exposure Drafts provides details of the proposed revisions and are available on the APESB website: www.apesb.org.au. Feedback on the proposed changes should be received by the APESB no later than **12 May 2025**.

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Notes to Editors: APESB is the National Standards Setter that sets the Code of ethics and professional standards by which members of Australia's three major professional accounting bodies (CPA Australia, Chartered Accountants Australia & New Zealand and the Institute of Public Accountants) are required to abide.