Part 4B Questionnaire 1

I. The IESBA's *International Ethics Standards for Sustainability Assurance (Including International Independence Standards)* (IESSA) will come into effect in December 2026. See webpage: here

The IESBA established an Adoption & Implementation Working Group which is dedicated to promoting, monitoring, and supporting the adoption and implementation of the IESSA, and the development of specific guidance and resources which practitioners and other stakeholders may find helpful. See the project page: here

Accordingly, the survey's first question is designed to gather details about how the IESSA is being adopted and implemented within your jurisdiction.

II. In addition, as presented at the last IESBA–JSS meeting in November 2025, the IESBA is undertaking information gathering to better understand the landscape of sustainability assurance engagements (SAEs) that fall outside the scope of the International Independence Standards (IIS) in the IESSA. See the project page: here

The ethics provisions in the IESSA (Sections 5100 to 5390) apply to all SAEs and other professional services performed for the same sustainability assurance client. However, the IIS in the IESSA are scoped only to SAEs with the same level of public interest as audits of financial statements. The IIS in the IESSA apply only to SAEs where the sustainability information on which the sustainability assurance practitioner expresses an opinion:

(a) Is reported in accordance with a general purpose framework; *and*

(b) Is

  (i) Required to be provided in accordance with law or regulation; *or*

  (ii) Publicly disclosed to support decision-making by investors or other users.

Regarding SAEs that are not within the scope of the IIS in the IESSA, Part 4B of the Code sets out independence provisions applicable to professional accountants (PAs). Such SAEs include, for example, SAEs:

- Where the sustainability information on which the sustainability assurance practitioner expresses an opinion is reported solely in accordance with:
  - A framework designed to meet the information needs of specified users; or
  - Entity-developed criteria.
- For which the sustainability assurance report is a restricted use and distribution report.

Although Part 4B is currently applicable to PAs only, other practitioners are encouraged to comply with its provisions when performing SAEs outside of the scope of the IIS in the

IESSA.

Your insights and responses to questions 2 to 4 will assist the IESBA in considering whether any further action is warranted—including whether there is a basis to undertake a project to develop independence standards for SAEs outside the scope of the IIS in the IESSA, and whether such a project should take a profession-agnostic approach.

JSS *

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1. Please select the adoption status of the IESSA in your jurisdiction: *

a. IESSA or conforming standard has been adopted (standard approved ...

State effective date

[MM/DD/YYYY]

01/01/26

Adopted for

Select one

3. both voluntary and mandatory assurance engagements

Provide hyperlink/s to relevant documents, e.g. final standard, approval announcement, mandatory assurance requirements and/or other supporting documents

The adoption status for the IESSA in Australia falls into category (a), with the relevant Australian standard approved and issued by the APESB on 8 July 2025.

APESB issued the new ethical and independence requirements for sustainability reporting and assurance in an Amending Standard to APES 110 *Code of Ethics for Professional Accountants* (*including Independence Standards*) (APES 110). The Amending Standard is based on the IESSA with some minor modifications to reflect the Australian environment. The minor amendments effectively mirror the existing Australian modifications in the extant Parts 1 to 4B of APES 110. The key documents released were the Amending Standard (Link: https://apesb.org.au/wp-content/uploads/2025/07/APES_110_AS_Sustainability_and_Experts.pdf), the Basis for Conclusions (Link: https://apesb.org.au/wp-content/uploads/2025/07/Basis_for_Conclusions_Sustainability_and_Experts_July_2025.pdf) and a Media Release (https://apesb.org.au/wp-content/uploads/2025/07/MR_APES_110_AESSA_Experts_Jul_25_Final.pdf).

The new requirements in APES 110 became effective from **1 January 2026**, with a later implementation date of **1 July 2028** for provisions related to the value chain components. Early adoption is encouraged, with transitional relief options available to support implementation.

The requirements in APES 110 apply to assurance engagements (both mandatory and voluntary) which are conducted to meet Australia's mandatory climate-related financial disclosures and sustainability reporting. There is a phased-in approach for each of the three groups of entities to comply with the new requirements, with Group 1 entities (the largest entities) needing to comply from 1 January 2025. Information on the mandatory reporting and assurance measures are set out below.

Mandatory climate-related disclosures and sustainability reports

From 1 January 2025, large Australian entities that are required to prepare and lodge financial statements under Chapter 2M of the *Corporations Act* 2001 need to make mandatory climate related disclosures. These reporting requirements are being phased in over three years based on size, beginning with the largest entities, asset owners and NGER reporters.* For Group 1 entities,** the requirements apply to the first financial year commencing on or after 1 January 2025.

The sustainability report must be prepared in accordance with the Australian Accounting Standards Board's (AASB's) sustainability standard AASB S2 *Climate-related Disclosures* (Link:

https://standards.aasb.gov.au/sustainability-reporting-standards) and be subject to audit requirements in accordance with auditing standards issued by the Australian Auditing and Assurance Standards Board (AUASB). Legislation mandates that the audit of the sustainability report is to be performed by a registered company auditor.

In January 2025, the AUASB approved two Australian Standards on Sustainability Assurance:

- ASSA 5000 General Requirements for Sustainability Assurance Engagements (ASSA 5000) (Link: https://www.auasb.gov.au/media/52bjg5gw/sustainabilityassurancassa5000.pdf); and
- ASSA 5010 Timeline for Audits and Reviews of Information in Sustainability Reports Under the Corporations Act 2001 (ASSA 5010) (Link: https://www.auasb.gov.au/media/yffbehwp/assa-5010-timeline-for-audits-and-reviews-of-information-in-sustainability-reports-under-the-corporations-act-2001.pdf).

Subject to ASSA 5010, ASSA 5000 (as amended) is effective for assurance engagements on sustainability information reported as follows:

- For information presented in a sustainability report under Chapter 2M of the *Corporations Act* 2001 - For periods beginning on or after 1 January 2025 and as at the end of that period;
- For all other engagements - As at a specific date on or after 31 December 2025 and for periods ending on that date, except where the period commenced before 1 January 2025.

Earlier application of ASSA 5000 is permitted. At present, either ASSA 5000 or the Australian equivalent of ISAE 3000 can be used for assurance over information reported to the Clean Energy Regulator.

In January 2026, the AUASB issued ASSA 2025-10 (Link: https://www.auasb.gov.au/media/02mpyfbh/assa2025-10_12-25.pdf). ASSA 2025-10 amends the extant ASSA 5010 (Link: https://www.auasb.gov.au/media/wf5frdj0/assa5010.pdf) to require the approach for the phasing in of assurance for Group 1, 2 and 3 entities to be applied for voluntary sustainability reports under the *Corporations Act* 2001. The compiled version of ASSA 5010 is now available on the AUASB website (Link: https://www.auasb.gov.au/media/yffbehwp/assa-5010-timeline-for-audits-and-reviews-of-information-in-sustainability-reports-under-the-corporations-act-2001.pdf).

Further background information on the sustainability reporting and assurance requirements in Australia can be found on the AUASB's Sustainability Assurance webpage (Link:

https://www.auasb.gov.au/implementation-support/sustainability-assurance/).

* NGER reporters subject to the *National Greenhouse and Energy Reporting Act* 2007 (NGER Act), who are registered corporations and prepare and lodge financial reports under Chapter 2M of the *Corporations Act* 2001.

** Group 1 entities consist of:

- large entities and their controlled entities meeting at least two of the following three criteria – Consolidated revenue of $500 million or more, End of Financial Year (EOFY) consolidated gross assets of $1 billion or more, and EOFY employees of 500 or more; and
- NGER Reporters above the NGER publication threshold in s 13(1)(a) of the NGER Act; which is currently the carbon dioxide equivalence of 50 kilotonnes or more of total greenhouse gases emitted.

2. Please provide examples of SAEs in your jurisdiction that would remain covered under Part 4B of the IESBA Code (i.e., outside the scope of the IIS in Part 5) once the IESSA is effective. Please describe their nature and objectives.

For example:

a. Whether these engagements are voluntary or mandated by laws or regulations.
b. Users of the report(s) (e.g. internal use only, a limited or specified group, for example, regulators, lenders, certification bodies, proxy-advisors, contracting or supply-chain partners or broader public distribution, for example, investors, customers)
c. Reporting framework being used (e.g., ISSB, GRI standard or any other global general-purpose reporting framework, or special-purpose framework, or national reporting framework, or entity-develop criteria)
d. Assurance standards being used (e.g. ISAE 3000, national standards)
e. Ethics standards (e.g. IESBA Code or other ethics framework) that are used for these engagements
f. Whether these engagements are also being performed by practitioners who are not professional accountants (non-PAs).

Our response to question 1 includes information on mandatory climate reporting requirements in Australia.

The Australian auditing standard that applies to SAEs (ASSA 5000) covers both mandatory and voluntary SAEs. ASSA 5000 requires practitioners to comply with the requirements of APES 110. Non-practitioners who hold themselves out as complying with ASSA 5000 would also need to comply with APES 110. The determination of whether Part 5 or Part 4B applies is determined using paragraphs 5400.3b to 3e of APES 110 (which are consistent with the IESBA Code).

Note that currently SAEs performed to meet the requirements of the Australian Clean Energy regulator will fall under Part 4B of APES 110, due to

the relevant legislation referring to an older version of APES 110. Additionally, we are aware that, when preparing prospectuses for Green Bond fundraising activities, practitioners may use Part 4B of APES 110.

As APESB is the Australian professional and ethics national standard setter, it does not oversee sustainability reporting and assurance in Australia. As such, it does not have access to information on the various types of SAEs being performed by practitioners in Australia.

3. To the extent practicable, please estimate a projection of the percentage of the SAEs that you expect will be subject to the IIS in the IESSA in your jurisdiction, as compared to those SAEs that would remain under Part 4B once the IESSA is effective?

As APESB is the Australian professional and ethics national standard setter, it does not oversee entities' sustainability reporting and assurance in Australia. As such, we are unable to estimate the percentage of SAEs that will be subject to the requirements in either Part 4B or Part 5 of APES 110.

4. Are the current independence provisions in Part 4B meeting the needs of practitioners in addressing the risks that arise in sustainability assurance (e.g., value-chain or group engagements)? If you believe there are gaps or areas where revisions to Part 4B or additional guidance may be necessary in relation to SAEs, please describe them.

Stakeholders have raised some concerns with APESB about whether practitioners are appropriately applying the Non-Assurance Services (NAS) provisions when the independence provisions in Part 4B are being applied to sustainability assurance engagements.

A stakeholder noted that the provision of assurance readiness reviews, whereby practitioners are reviewing controls, systems and information to prepare for sustainability reporting and assurance, may create situations where the practitioner might assume management responsibility or provide NAS which could create a self- review threat.

The IESBA project team may wish to review the requirements and guidance in Part 4B to ensure that the overarching prohibitions for NAS relating to self-review threats and not assuming management responsibility are explicit and clear.