

Meeting: IESBA

Meeting Location: New York

Meeting Date: March 10 – 12, 2025

Agenda Item

3

Adoption & Implementation

Objectives of the Session

1. To:
 - (a) Consider an update from the Adoption & implementation Working Group (A&I WG); and
 - (b) Seek views on the A&I WG's approach and activities and its proposed jurisdictional prioritization for A&I activities.
2. To consider, with a view to approval, proposed Terms of Reference for an IESSA Implementation Monitoring Advisory Group (IIMAG) as part of the establishment of an active monitoring mechanism for the *International Ethics Standards for Sustainability Assurance (including International Independence Standards)* (IESSA).
3. To consider an update on engagement with the International Accreditation Forum (IAF).

Activities since December 2024

4. The A&I WG met on January 15, 2025 and February 12, 2025 to consider the A&I WG's Updated Action Plan, coordination with the International Federation of Accountants (IFAC) and the International Auditing and Assurance Standards Board (IAASB), other stakeholder engagement, and prioritization of jurisdictions for A&I activities.

A&I WG Updated Action Plan

5. The A&I WG's Updated Action Plan (**Agenda Item 3-A**) provides an overview of the key A&I activities, including the following completed and new activities from the [Proposed Action Plan](#) considered at the December 2024 IESBA meeting:
 - The successful joint launch of the IESBA Sustainability and Experts Standards¹ and the IAASB's ISSA 5000,² and publication of implementation support materials including Basis for Conclusions documents, Fact Sheets and Technical Overviews.
 - Webinar series on the IESBA's Sustainability and Experts Standards during late February/early March and standard slide decks for use by the A&I WG and IESBA members.

¹ IESSA; *Other Revisions to the Code Relating to Sustainability Assurance and Reporting*; and *Using the Work of an External Expert (Experts)*

² International Standard on Sustainability Assurance 5000 *General Requirements for Sustainability Assurance Engagements*

- Additional planned guidance material including:
 - A summary of prohibitions in the IESSA applicable with respect to sustainability assurance engagements of public interest entities (PIEs) based on the IESBA's existing publication relevant to audits of PIEs; and
 - Material specific for investors and those charged with governance on the impacts and benefits of the IESBA Sustainability and Experts Standards.
- Stakeholder engagement discussed below.

Coordination with IFAC and the IAASB

6. IESBA and IFAC staff met on several occasions in Q1 2025 including:
 - IFAC-IESBA A&I meetings including collaboration on outreach opportunities with IFAC's regional relationship managers.
 - Discussions on IFAC's process for tracking adoption of the IESBA Code and documenting adoption status.
 - Exploration of IFAC's work on The State of Play in Sustainability Assurance and potential research opportunities.
7. IESBA and IAASB staff have met regularly to discuss the respective IESBA and IAASB sustainability projects and coordination activities. IESBA and IAASB staff issued a joint fact sheet at the launch of the two Boards' sustainability-related standards and will continue to work closely on joint materials (e.g., FAQs) and to coordinate stakeholder outreach. To facilitate this, the IESBA and IAASB staff have established a staff A&I working group which will meet monthly.

Other Stakeholder Engagement

8. The A&I WG expanded its stakeholder engagement map to include 36 potential initial stakeholders. The map will track engagement with decision-making authorities and other stakeholders in targeted jurisdictions, engagement activities and intended outcomes. The categories of stakeholders include professional accountancy organizations, non-professional accountant organizations, sustainability standard setters, regulators, other standard setters, and other partnerships.
9. IESBA staff met with representatives of the IAF on February 27-28 2025 to discuss the IAF's mapping of its current ethics requirements for sustainability assurance engagements to the IESSA, and to clarify and address key issues. IESBA staff will provide a report-back at the March 2025 IESBA meeting.
10. Sustainability reporting, assurance, and ethics and independence standards are essential for ensuring that sustainability information is reliable, credible, and trustworthy and form the foundation of a robust global ecosystem for sustainability reporting and assurance. Accordingly, the IESBA has engaged with the International Financial Reporting Standards (IFRS) Foundation/International Sustainability Standards Board (ISSB) on matters of mutual interest, including the importance of this trinity of standards. As a next step, a combined ISSB/IESBA/IAASB meeting is being scheduled for late March 2025 to discuss areas of coordination and cooperation.

11. IESBA staff met with representatives of the Association of Chartered Certified Accountants (ACCA) on January 23, 2025 and February 6, 2025 to discuss the collaboration opportunities set out in **Agenda Item 3-A**.

Jurisdictional Prioritization

12. In line with the Terms of Reference for the A&I Working Group (WG), the two main criteria for prioritizing jurisdictions are economic size and the adoption status of sustainability reporting requirements, as detailed below:

- **Economic size** – a country’s GDP, market capitalization, and data per the IFAC State of Play.
- **Adoption Status** – an indication (such as press releases or publicly available information (e.g., IFRS foundation)) that the country is at minimum considering adoption of sustainability reporting requirements.

Additionally, ESG investing/spending in countries has been factored, based on publicly available information.

13. The A&I WG will provide an update on its analysis and jurisdictional prioritization at the March 2025 IESBA meeting.

Action Requested

14. IESBA members are asked to:
 - (a) Provide views on the A&I WG’s approach and activities set out in **Agenda Item 3-A** and its proposed jurisdictional prioritization;
 - (b) Consider the proposed active monitoring mechanism for the IESSA in **Agenda Item 3-B** and approve the proposed Terms of Reference for the IIMAG in **Agenda Item 3-C**; and
 - (c) Share comments or reactions in light of the update on IESBA staff’s engagement with IAF.

Next IESBA Meeting

15. An update on A&I activities in Q2 2025 will be provided at the June 2025 IESBA meeting.

Material Presented

Agenda Item 3-A	A&I WG Updated Action Plan
Agenda Item 3-B	IESSA Active Monitoring Mechanism
Agenda Item 3-C	Proposed IIMAG Terms of Reference