

**Meeting:** IESBA  
**Meeting Location:** New York  
**Meeting Date:** June 9 – 12, 2025

# Agenda Item **4** **(Updated)**

## Adoption & Implementation

### Objectives of the Session

1. To consider:
  - (a) An update from the Adoption & implementation Working Group (A&I WG);
  - (b) The A&I WG's updated jurisdictional prioritization for A&I activities;
  - (c) An update on recent changes to the International Federation of Accountants' (IFAC) benchmarking for adoption status with respect to the Code; and
  - (d) An update on the IESSA<sup>1</sup> Implementation Monitoring Advisory Group (IIMAG) and the candidate selection process for membership.

### A&I WG Activities since March 2025

2. The A&I WG met in April and May 2025 to discuss:
  - The A&I WG's Updated Action Plan;
  - Coordination with IFAC and International Auditing and Assurance Standards Board (IAASB);
  - Other stakeholder engagement, including with the International Sustainability Standards Board (ISSB), the UN Trade & Development working group on International Standards of Accounting and Reporting (UNCTAD ISAR), the Association of Chartered Certified Accountants (ACCA), Qatar, and the International Accreditation Forum (IAF);
  - Establishment of the IIMAG membership criteria and potential candidates for selection; and
  - Jurisdictional prioritization and strategic direction for A&I activities.

### *A&I WG Updated Action Plan*

3. The A&I WG's Updated Action Plan – June 2025 (**Agenda Item 4-A**) provides an overview of key A&I activities, including updates to planned activities and the following new activities from the [Updated Action Plan](#) considered at the March 2025 IESBA meeting:
  - Guidance comparing the requirements and application material in Part 4A to those in Part 5 (IESSA) of the Code to highlight key differences between the Parts and incremental requirements from Part 4A under the IESSA;

---

<sup>1</sup> *International Ethics Standards for Sustainability Assurance (including International Independence Standards) (IESSA)*

- A series of short whiteboard videos providing an overview of the IESBA's Sustainability and Experts Standards and brief case studies applying ethics provisions for sustainability reporting and independence provisions in the IESSA; and
- Stakeholder engagement discussed below.

#### *Coordination with IFAC and the IAASB*

4. Representatives of the IESBA and IFAC met on several occasions in Q2 2025:
  - IFAC and IESBA along with IAASB convened a multi-stakeholder summit focused on the practical implementation of the IESSA and strengthening current and future engagement with the IESBA and IAASB in Paris on April 14, 2025 (refer [Press Release](#)).
  - IFAC-IESBA A&I Staff meetings were held to continue collaboration on A&I and outreach opportunities.
  - IFAC Staff shared updates on the process for tracking adoption of the Code and documenting adoption status.
5. IESBA and IAASB staff continued to meet regularly to discuss the respective IESBA and IAASB sustainability projects and coordination activities, including stakeholder outreach. IESBA and IAASB staff are working on joint IESBA/IAASB Questions & Answers on matters of common interest in the two Boards' respective sustainability standards, including group engagements and the determination of components.

#### *Other Stakeholder Engagement*

6. IESBA communications and technical staff partnered with the ACCA to develop a "[Trust in sustainability reporting](#)" article on the IESSA and enhanced ethical provisions for sustainability reporting for the ACCA's May 2025 AB Magazine.
7. Representatives of the IESBA, ISSB and IAASB met on April 10 and May 13, 2025 to share updates on recent and upcoming A&I activities on the respective Boards. The meetings also covered matters of coordination relating to the adoption of three Boards' sustainability-related standards, including promoting the benefits of a global sustainability reporting, assurance and ethics ecosystem and the trilogy of standards. The next coordination meeting will be in late June/early July 2025.
8. IESBA Staff presented as part of a panel on "New Assurance and Ethics Standards" at the UNCTAD ISAR Second Regional Partnership Meeting on Enhancing Sustainability Reporting in the Gulf & Neighboring Countries in Abu Dhabi on April 9, 2025. The presentation included an overview of the IESBA and its sustainability project, the IESSA, the IESBA's work with IAF, and the important role of stakeholders in the IESSA's A&I.
9. The A&I WG Chair met with members of Qatar's working group for the national framework on external assurance for sustainability reporting on May 14, 2025, and provided background on the IESBA's public interest role and sustainability project, and the development and main features of the IESSA. He also highlighted the value of the IESSA for jurisdictions. The group discussed sustainability developments in Qatar and the IESBA's A&I roadmap and ongoing engagement with IAF.

#### Stakeholder Advisory Council

10. The Stakeholder Advisory Council (SAC) met in New York on May 5-6, 2025, which included a session on *Deregulation and its Potential Implications for Sustainability and other International Standards*. The SAC discussed the trend towards deregulation and simplification of regulations in certain jurisdictions and considered strategies for the standard setting Boards (SSBs) to navigate this trend. Key observations, advice and suggestions from the SAC included the following:
- Deregulation will vary by region and can be broadly seen as cyclical. In the international context, it is therefore important not to overreact. Simplification of laws and regulations, however, is often aimed at enhancing competition, and therefore economic growth, by reducing administrative burden.
  - In navigating these trends:
    - A clearly articulated value proposition is critical. This includes reinforcing:
      - The need for the current standard setting activities with careful consideration of tone and clear communications of why the standards and guidance issued serve the public interest.
      - The relevance of the SSBs' work and avoiding being perceived as contributing to regulations overload.
    - The value of the SSBs' international standards is enhanced when the standards are principles-based, scalable, flexible and responsive to market needs, including for small and medium-sized entities and practices.
    - It is critical to challenge whether there is a need for new standards or if the priority at the moment is developing non-authoritative guidance, workshops and educational materials to support the A&I of recently issued standards.
    - There may be opportunities for the SSBs to collaborate with IFAC, regional professional accountancy organizations (PAOs) and other global institutions to support the A&I of their standards as well as to monitor the changes in deregulation and simplification of regulation.
11. For more information on the session and meeting highlights see [Stakeholder Advisory Council May 5-6, 2025](#) and **Agenda Item 2-A**.

#### Jurisdictional Standard Setters

12. The IESBA-Jurisdictional Standard Setters (IESBA-JSS) meeting was held on May 7, 2025, which included a session on *A&I of Sustainability and Experts Standards*. This was followed by a joint IESBA-IAASB-JSS meeting on May 8, 2025, which included a session on *Deregulation and the Impact on Adoption of the IAASB's and IESBA's Sustainability-related Standards*.
13. Certain jurisdictions are progressing with adoption of the IESSA, while others remain in a wait-and-see phase, predominantly due to the current geopolitical environment. In some cases, political pressures are focused more on simplification (or better regulation) rather than deregulation. Many jurisdictions view a single set of global standards as simplification rather than deregulation.

14. Questions were raised about non-professional accountants (non-PAs) undertaking sustainability assurance engagements (SAEs) with respect to quality, having adequate systems in place, consistent application of the standards, and oversight and monitoring. A few specific implementation matters were noted about the IESSA's requirements on the value chain, long association, and non-assurance services.
15. JSS participants discussed the opportunity for more frequent interactions with the IESBA. They emphasized the importance of focused strategies that engage and provide support for early adopters to set the tone and build momentum. Other suggestions included:
  - Conducting a leading practices survey of regulators and compiling leading practices as a resource.
  - Moving away from large standards in PDF in favor of more accessible, tailored views of only relevant portions of the Code to improve usability and perception.
  - Clarifying the similarities and differences between Part 4A of the Code and the IESSA and the application of IESSA to different practitioners.
  - Providing clearer messaging about the value of independent assurance in fostering trust in sustainability reporting in the public interest.
16. The IESBA's planned Staff Questions & Answers publications, comparison of Part 4A to the IESSA, and the IIMAG were noted as key tools to address some of these jurisdictional requests.
17. For more information on the discussions at the IESBA-JSS meeting, see **Agenda Item 2-B**.

#### *Jurisdictional Prioritization*

18. The A&I WG's [Terms of Reference](#) set out considerations for prioritizing jurisdictions, including economic size and significance, the adoption status of ISSB standards or other sustainability reporting standards, and the introduction of assurance requirements for sustainability reporting. Accordingly, the A&I WG has prioritized jurisdictions for A&I activities based on the following criteria:
  - **Economic size** – the largest 20 individual GDP's (plus the European Union) and market capitalization.
  - **Sustainability Reporting Adoption Status** – an indication that the jurisdiction has adopted or intends to adopt sustainability reporting requirements.
  - **Sustainability assurance requirements** – an indication that the jurisdiction has adopted or intends to adopt sustainability assurance requirements.
19. The A&I WG recognizes the need to be agile and flexible when prioritizing jurisdictions due to the current global regulatory environment. Accordingly, consideration has also been given to other factors that might warrant escalation, including potential demand for adoption of the IESBA Sustainability and Experts Standards (such as jurisdictional interest, intentions and readiness), and the presence of an IESBA member from the relevant jurisdiction. Accordingly, the proposed high priority jurisdictions included below meet 2 or 3 of the above criteria and there is another factor warranting escalation. The list of jurisdictions is indicative and subject to change resulting from any new developments.

High Priority Jurisdictions	
Australia	Malaysia
Brazil	New Zealand
France	Nigeria
India	Singapore
Italy	South Africa
Japan	United Kingdom
Kenya	Qatar, Saudia Arabia, United Arab Emirates
Korea, Rep.	

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

#### Update on IFAC's Adoption Status Benchmarking

21. IFAC tracks the adoption of international standards through the [IFAC Member Compliance Program](#). In joining IFAC, all PAOs commit to actions that will advance A&I of international standards as well as establishing quality assurance and enforcement systems. These commitments are codified in the [Statements of Membership Obligations \(SMOs\)](#). PAOs are required to submit action plans demonstrating their progress and any challenges in meeting the SMOs. These plans, along with IFAC assessments, are used to populate the [International Standards' Adoption Map](#).
22. IFAC recently updated its [methodology for assessing adoption](#) and definitions of adoption categories as set out below. This was undertaken in consultation and coordination with IESBA Staff. These new thresholds will be used in IFAC's assessments going forward, with the change intended to prompt action in jurisdictions where progress has stalled and reinforce the importance of up-to-date standards.

Adoption Category	Previous Definition	New Definition	Key Changes to the New Definition
<b>Adopted</b>	The International Code of Ethics for Professional Accountants (the Code) in its entirety in effect as of the time of the assessment has been adopted for all professional accountants.	The International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code) in its entirety in effect as of the time of the assessment has been adopted for all professional accountants.	A conforming change was made to include International Independence Standards and to align with the current title of the Code.
<b>Partially Adopted</b>	An earlier (2009 or later) version of the Code has been adopted for all professional accountants.  or  The Code in its entirety in effect as of the time of the	An earlier (2018 or later) version of the Code in its entirety has been adopted for all professional accountants.  or  The 2018 or later version of	Updates the baseline year from 2009 to 2018. Also adds "in its entirety" to the first option, to align with the text for the "adoption" definition.

Adoption Category	Previous Definition	New Definition	Key Changes to the New Definition
	assessment has been adopted for a segment of the profession.  or  Not all the requirements of the currently effective Code have been adopted.	the Code in its entirety has been adopted for a segment of the profession.  or  Not all the requirements of the Code in effect as of the time of the assessment have been adopted.	
<b>Not Adopted</b>	A pre-2009 version of the Code has been adopted.  or  The Code has not been adopted.	A pre-2018 version of the Code has been adopted.  or  National standards not converged with the Code have been adopted.	Updates the cut-off year from 2009 to 2018 and replaces “has not been adopted” with “national standards not converged with the Code”, focusing on alignment rather than adoption status alone.

23. IFAC Staff will present to the IESBA at a subsequent meeting in 2025 on its activities to support the development, adoption and implementation of international standards. This will include its methodology to track adoption on an ongoing basis, and the impact of the new definitions on adoption status during 2025.

#### **IESSA Implementation Monitoring Advisory Group (IIMAG)**

24. At its March 2025 meeting, the IESBA discussed the possible ways to actively monitor the implementation of its sustainability-related standards, with special regard to the IESSA, and providing rapid responses to any issues or challenges stakeholders might be facing while implementing such standards. As part of the monitoring mechanism, the IESBA agreed to establish the IIMAG and approved its Terms of Reference (TOR). Furthermore, the IESBA assigned to the A&I WG the selection process for members of the IIMAG, in line with the TOR. **Agenda Item 4-B** includes the approved TOR for reference.
25. In line with the objectives of the IIMAG and the TOR, the A&I WG discussed the criteria for recruitment and selection to ensure that the membership is based on competencies and to achieve a diverse mix of members based on geography and professional background.
26. Based on the A&I WG’s discussion, IESBA Staff reached out to several stakeholders and IESBA members to ask for their assistance and recommendations. IESBA Staff also shared a call for interest in IIMAG’s work with the JSS representatives at the May 2025 IESBA-JSS meeting.
27. At the June 2025 IESBA meeting, IESBA Staff will provide an update on the recruitment process and the members of the IIMAG to date.

### **Engagement with International Accreditation Forum (IAF)**

28. At its March 2025 meeting, the IESBA received an update on engagement between IESBA Staff and IAF representatives on the IAF's mapping of its current ethics requirements for SAEs to the IESSA.
29. IAF is considering the way forward with respect to its mapping and framework development due to changes in the external environment, including the impact of the recent European Union Omnibus legislation.<sup>2</sup> IESBA Staff will continue to liaise with IAF representatives regarding further developments from the IAF's consideration of its path forward relative to the IESSA.

### **Action Requested**

30. IESBA members are asked to:
  - (a) Provide views on the A&I WG's approach and activities set out in **Agenda Item 4-A** and the proposed jurisdictional prioritization for A&I outreach activities; and
  - (b) Share any comments or questions regarding the establishment of the IIMAG.

### **Material Presented**

- |                 |   |
|-----------------|---|
| Agenda Item 4-A | A&I WG Updated Action Plan June 2025                  |
| Agenda Item 4-B | For Reference – Approved Terms of Reference for IIMAG |

---

<sup>2</sup> The European Union's Omnibus Package, adopted in February 2025, includes changes to the Corporate Sustainability Reporting Directive (CSRD), such as reducing the number of required reporting datapoints.