

**Meeting:** IESBA  
**Meeting Location:** New York  
**Meeting Date:** March 9 – 12, 2026

## **Agenda Item**

# **7**

### **Independence Standards for Sustainability Assurance Engagements Outside the Scope of the IESSA**

#### **Objectives of the Session**

1. To:
  - (a) Consider an update from the Project Team (PT)<sup>1</sup> for the Workstream on the Independence Standards for Sustainability Assurance Engagements (SAEs) Outside the Scope of the International Independence Standards (IIS) in the *International Ethics Standards for Sustainability Assurance (including International Independence Standards)* (IESSA); and
  - (b) Discuss the key considerations related to SAEs outside the scope of the IIS in the IESSA that would impact the PT's evaluation of options for the way forward.

#### **Background**

##### *Relevant Ethics and Independence Provisions*

2. 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 IESBA determined that, as a first step in developing independence standards for SAEs, the IIS in the IESSA should be scoped only to SAEs with the same level of public interest as audits of financial statements.
3. 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.
4. 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:

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<sup>1</sup> The PT comprises Szilvia Sramko (IESBA Principal and Project Lead) and Elaine Cahoon (IESBA Staff Fellow). The Board Advisors to the PT are Nancy Miller and Mark Babbington.

- 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.
5. 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.
6. The IESSA was developed in close coordination with the International Auditing and Assurance Standards Board (IAASB), and it is fully interoperable with International Standard on Sustainability Assurance (ISSA) 5000, *General Requirements for Sustainability Assurance Engagements* (ISSA 5000). ISSA 5000 applies to all SAEs, irrespective of whether the SAE is performed by a PA. ISSA 5000 is premised on the basis that the engagement team and the engagement quality reviewer (for those engagements where one has been appointed) are subject to the Code's provisions related to SAEs, or professional requirements, or requirements in law or regulation that are at least as demanding. Depending on the type of SAE, either Part 5 and Part 4B will provide the relevant independence requirements in the context of ISSA 5000.

#### *Part 4B Project*

7. As part of its Strategy and Work Plan 2024-2027 (SWP), the IESBA agreed to consider how the Code might be enhanced, whether through revision of the extant Part 4B or the development of a Part 4B-equivalent to the IIS in the new Part 5, to ensure that all independence standards for SAEs are addressed in the Code in a profession-agnostic manner. This workstream had been assessed as having a high priority, due to commence after the finalization of the IESSA.
8. In June 2025, however, the IESBA considered the recent trend towards deregulation with respect to sustainability reporting in some major jurisdictions and its implications for the IESBA's 2024-2027 SWP. As a result of the discussion, the Board agreed to establish a PT to obtain more information regarding the nature and extent of SAEs outside the scope of the IIS in the IESSA that are being performed in practice. Such information is intended to assist the Board's consideration of whether there is a sufficient basis to approve, in the public interest, a project proposal on developing independence standards for such engagements.
9. In September 2025, the IESBA approved the PT's [Terms of Reference](#). The key objective of the PT's work is to gather information with a view to establishing a basis for a recommendation to the IESBA as to:
- (a) Whether to undertake a project to develop independence standards for SAEs outside the scope of the IIS in the IESSA; and
  - (b) Whether the approach to such a project should be profession-agnostic.

Subject to there being a sufficient basis for undertaking a project, the PT will:

- (i) Identify options for the approach to developing such independence standards and their pros and cons from the point of view of maximizing the adoption and implementation of those standards; and
- (ii) Highlight questions of principle or judgment on which the IESBA's direction is needed before commencing any such project.

## **PT Activities since September 2025**

10. The PT met with the Board advisors monthly from September 2025 to February 2026.
11. The PT's Action Plan – March 2026 (**Agenda Item 7-A**) provides a consolidated overview of the PT's information-gathering activities, including completed, ongoing, and planned activities. These activities include:
  - Structured engagement with jurisdictional standard setters (JSS) through a dedicated session at the November 2025 JSS meeting, distribution of a targeted questionnaire, and a session at the April 2026 JSS meeting;
  - Targeted outreach and questionnaires to sustainability assurance practitioners, including members of the IESSA Implementation Monitoring Advisory Group (IIMAG) and the ISSA 5000 Technical Implementation Contact Group;
  - Targeted outreach to key regional professional accountancy bodies through a questionnaire incorporated into their progress report on the implementation of the IESSA and ISSA 5000; and
  - Collaboration with IFAC on available datasets and insights from the IFAC State of Play.
12. The PT and Board Advisors also considered the potential options for commissioning academic research to gain deeper insights into the nature of SAEs performed by non-PAs. However, based on the current information available, the PT believes that any such research would likely focus on engagements already within, or expected to be within, the scope of the IESSA. It would therefore be unlikely that this research would provide sufficiently incremental or decision-useful insights beyond those obtainable through existing data sources and stakeholder engagement.
13. Given the technical nature of the scope and subject matter of the information gathering, and its connection with the status of the future adoption of the IESSA in specific jurisdictions, the PT believed it would be most beneficial to target practitioners, professional bodies, and standard setters that have been involved in monitoring the implementation of IESSA. The questionnaire that the PT has developed for different groups of stakeholders is focused on:
  - The types and population of SAEs that will remain under the scope of Part 4B once the IESSA is adopted.
  - The potential issues and challenges regarding the application of Part 4B to SAEs.

## **Information Gathering Challenges**

14. In undertaking its information gathering, the PT has encountered challenges related to the relevance, availability, consistency, and maturity of information on SAEs outside the scope of the IIS in the IESSA. Information on such engagements is often incomplete or unavailable, and voluntary disclosures and practices are still evolving across jurisdictions and practitioner communities.
15. Furthermore, the PT found that there is a lack of consistency in how assurance engagements covered by Part 4B, and certification engagements—i.e., those not governed by the Code's provisions—are referenced. This inconsistency has complicated efforts to pinpoint which SAEs would fall under Part 4B, particularly in the case of sustainability assurance practitioners who are not PAs.

## Matters for Consideration

16. While determining the key focus of its information gathering, the PT identified the following key matters and decision points to consider in assessing whether there is a sufficient basis to develop independence standards for SAEs outside the scope of the IIS in the IESSA.

#	Key Matters for Consideration	Impact on Decision-Making
1.	What are the key characteristics of SAEs that will remain under the scope of Part 4B once the IESSA is effective, including their purpose, users, and significance from a public interest perspective?	The PT intends to establish a clear understanding of the types of engagements addressed by Part 4B and the independence risks they present, as a foundation for assessing whether the existing provisions remain appropriate.
2.	What is the extent of the SAEs that will remain under the scope of Part 4B across jurisdictions and practitioners?	The PT intends to understand whether the population and significance of those SAEs that would remain within the scope of Part 4B would warrant priority action.
3	Do the extant provisions in Part 4B sufficiently address the independence considerations for SAEs (e.g., considerations relating to assurance work performed in the value chain, and using the work of other practitioners)?	The PT intends to understand whether developments in sustainability assurance standards (including ISSA 5000, which sets out an updated set of requirements for SAEs compared to ISAE 3000 (Revised) and recognizes the specificities of SAEs) give rise to independence considerations which are not fully addressed by Part 4B, and whether any such gaps are material in practice.
4	Is there a public interest need for profession-agnostic standards for SAEs outside the scope of the IIS in the IESSA?	The PT intends to understand the public interest need in order to inform its considerations as to whether any potential IESBA response should extend beyond PAs and, if so, what considerations may be relevant to adoption and implementation across different practitioner communities.

## Action Requested

17. IESBA members are asked to:
- (a) Consider the update on the PT's fact-finding activities at **Agenda Item 7-A**;
  - (b) Provide views on or reactions to the key matters for consideration related to the SAEs outside the scope of the IIS in the IESSA as presented in paragraph 16 above; and

- (c) Share any suggestions to guide the PT's further work, including whether there are any other options the PT has not identified with respect to addressing the information gathering challenges.

### **Material Presented**

Agenda Item 7-A              PT's Action Plan

### **Next Steps**

- 18. At the June 2026 IESBA meeting, the PT will aim to present its:
  - (a) Final report summarizing the findings from the information gathering, including from stakeholder outreach; and
  - (b) Recommendation to the IESBA as to whether to undertake a project to develop independence standards for SAEs outside the scope of the IIS in the IESSA and, subject to there being a sufficient basis for doing so, the options for developing such standards.