

EXPOSURE DRAFT

ED 01/25

(April 2025)

**Proposed amendments to ASSA 5000
*General Requirements for Sustainability
Assurance Engagements and ASA 102
Compliance with Ethical Requirements
when Performing Audits, Reviews and
Other Assurance Engagements***

Comments due: 1 May 2025 (30-day comment period)

Issued for Comment by the **Auditing and Assurance Standards Board**



Australian Government

Auditing and Assurance Standards Board

Commenting on this exposure draft

Comments on this exposure draft should be received by no later than 1 May 2025.

Comments should be addressed to:

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Auditing and Assurance Standards Board
PO Box 204, Collins Street West
Melbourne Victoria 8007 AUSTRALIA

Formal submissions

Submissions should be lodged online via the “Projects-Open for Comment” page of the Auditing and Assurance Standards Board (AUASB) website (auasb.gov.au/projects/Open-for-comment) as a PDF document and Word document.

A copy of all non-confidential submissions will be placed on public record on the AUASB website: www.auasb.gov.au

Obtaining a copy of this exposure draft

This Exposure Draft is available on the AUASB website: www.auasb.gov.au

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PREFACE

Reasons for issuing ED 01/25

The AUASB issues exposure draft ED 01/25 of proposed amendments to Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) and ASA 102 *Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements* (ASA 102).

The AUASB is an independent non-corporate Commonwealth entity of the Australian Government, established under section 227A of the *Australian Securities and Investments Commission Act 2001*.

Proposal

This proposed standard would amend ASSA 5000 and ASA 102. The main amendments are to introduce transitional provisions for independence requirements for sustainability assurance engagements concerning the provision of certain non-assurance services and the use of external experts.

Proposed operative date

It is intended that this ASSA/ASA be operative for audit and assurance engagements on the same basis as the standards that it amends.

New standard

This proposed standard would be a new pronouncement of the AUASB that amends but does not supersede pre-existing standards.

Request for comments

Comments are invited on this exposure draft ED 01/25 by no later than 1 May 2025.

Important Note and Disclaimer

This Exposure Draft, in itself, does not establish or extend the requirements under existing AUASB Standards and is not intended to be a substitute for compliance with the relevant AUASB Standards with which auditors are required to comply when conducting an audit. No responsibility is taken for the results of actions or omissions to act on the basis of any information contained in this document or for any errors or omissions in it.

EXPLANATORY MEMORANUM

I. Overview

1. ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) applies Part 5 of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (see International Ethics Standards for Sustainability Assurance (IESSA)) issued by the International Ethics Standards Board for Accountants (IESBA) (Part 5 of the IESBA Code) from 1 January 2025. The commencement timing is consistent with the commencement of mandatory assurance over information in sustainability reports under Chapter 2M of the *Corporations Act 2001* (the Act).
2. ED 01/25 proposes retrospective amendments to ASSA 5000 to address some possible practical matters that have been raised by audit firms on the initial adoption of certain provisions of Part 5 of the IESBA Code.
3. ED 01/25 is open for comment for 30-days to 1 May 2025. This will enable any amendments to ASSA 5000 to be made on a timely basis and to provide certainty to practitioners.
4. ASSA 5000 is consistent with ISSA 5000 *General Requirements for Sustainability Assurance Engagements* (ISSA 5000) issued by the International Auditing and Assurance Standards Board (IAASB). ISSA 5000 and Part 5 of the IESBA Code apply from 15 December 2026. The IAASB permits early application of ISSA 5000. The IESBA permits and encourages early application of Part 5 of the IESBA Code.
5. The development of ISSA 5000 and Part 5 of the IESBA Code was accelerated compared to the normal process for developing international standards with the objective of having the final standards available for assurance over sustainability information in Europe for years ending 31 December 2024. When approving ASSA 5000 on 28 January 2025, the AUASB was aware that matters could arise on the initial application of ASSA 5000 (including the application of Part 5 of the IESBA Code) that would require supplementary guidance or amendments to ASSA 5000.

II. Background

Adoption of international sustainability assurance standard

6. As well as contributing to greater international alignment of assurance over climate and other sustainability information, ASSA 5000 will support confidence in information required to be disclosed in the annual reports of Australia's largest companies from years commencing 1 January 2025 under the Act.
7. Section 1707E of the Act requires the AUASB to make standards for audits and reviews of information in sustainability reports under the Act, including the phasing in of assurance.
8. ASSA 5000 is currently effective for assurance engagements on sustainability information reported:
 - (a) For periods beginning on or after 1 January 2025; or
 - (b) As at a specific date on or after 1 January 2025.A footnote to the relevant application paragraph in ASSA 5000 (paragraph Aus 0.1) notes that (b) above does not require ASSA 5000 to apply to any engagements for periods beginning before 1 January 2025.
9. ASSA 5000 applies to both mandatory and voluntary assurance over climate and other sustainability information.
10. For mandatory climate reporting under the Act, ASSA 5000 is subject to the phasing in of limited and reasonable assurance under AUASB standard ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001*.

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11. Under the Act, audit firms, authorised audit companies or individual auditors are appointed to audit the annual financial report and for mandatory assurance over information in sustainability reports.

Adoption of international ethical requirements

12. The provisions of the IESBA Code related to sustainability assurance engagements are contained in Part 5 of the IESBA Code.
13. APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (APES 110) issued by the Accounting Professional & Ethical Standards Board Limited (APESB) is expected to be updated to include Part 5 of the IESBA Code in mid-2025. In the meantime, ASSA 5000 requires the application of Parts 1 to 3 of APES 110 and Part 5 of the IESBA Code. This ensures consistency with ISSA 5000 and recognises that Part 5 of the IESBA Code and ISSA 5000 were intended to operate together.
14. ISSA 5000 applies from 15 December 2026 (i.e. reporting for periods commencing and as at a specific date) with earlier application permitted. Other than provisions relating to value chains that apply from 1 July 2028, Part 5 of the IESBA Code applies from 15 December 2026 with earlier application permitted and encouraged. ASSA 5000 replaces the application dates of 15 December 2026 in ISSA 5000 and Part 5 of the IESBA Code with 1 January 2025 (per paragraph Aus 0.3 of ASSA 5000),
15. ED 01/25 proposes to amend ASSA 5000 to introduce new transitional provisions for certain requirements of Part 5 of the IESBA Code and to defer the application of ASSA 5000 for certain assurance engagements.
16. Adopting Part 5 of the IESBA Code from the same dates as ASSA 5000 is consistent with subparagraphs 6(a) and paragraph 7 of ISSA 5000 which state that:
 - ‘6. This ISSA is premised on the basis that: (Ref: Para. A5)
 - (a) The members of the engagement team and the engagement quality reviewer (for those engagements where one has been appointed) are subject to the provisions of the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) related to sustainability assurance engagements, or professional requirements, or requirements in law or regulation, that are at least as demanding¹; ...
 7. Quality management within firms that perform assurance engagements, and compliance with ethical principles, including independence requirements, are widely recognized as being in the public interest and an integral part of high-quality assurance engagements. When a practitioner performs a sustainability assurance engagement in accordance with this and other ISSAs, it is important to recognize that this ISSA includes requirements that reflect the premises described in paragraph 6. (Ref: Para. A5–A11)’
17. Further, to be consistent with ISSA 5000, ASSA 5000 adopts the requirements of ISSA 5000 concerning the application of Part 5 of the IESBA Code which include:
 - (a) Paragraph 34 of ISSA 5000, which requires sustainability assurance practitioners to comply with the provisions of the IESBA Code related to sustainability assurance or requirements at least as demanding¹; and
 - (b) Subparagraphs 190(d)(iv) and (v) of ISSA 5000, which require the ‘Basis for Opinion’ and ‘Basis for Conclusion’ in sustainability assurance reports to:

¹ ISSA 5000 and ASSA 5000 specify that other requirements at least as demanding as the provisions of the IESBA Code related to sustainability are determined by an appropriate authority which could be a national standard setter, regulator, or an oversight body with responsibility for audit, assurance or related relevant ethical requirements, or a designated accreditation organization recognized by a public authority. No such other requirements have been specified by the IAASB or the AUASB at this time.

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- (i) State that the assurance practitioner complies with the independence and other ethical requirements of the IESBA Code related to sustainability assurance engagements (or other requirements at least as demanding²); and
- (i) Indicate that the practitioner is independent in accordance with those ethical requirements for sustainability assurance engagements over public interest entity (PIE) reports under general purpose frameworks. [Paragraph R5400.25 in Part 5 of the IESBA Code requires public disclosure that the assurance practitioner applied the independence requirements therein that apply to PIE reports under general purpose frameworks.]

What are the independence requirements?

18. The independence requirements in connection with assurance engagements over sustainability information reported for periods beginning on or after 1 January 2025 or as at a specific date on or after 1 January 2025 are:

- (a) Part 4B of the December 2010 version of *APES 110 Code of Ethics for Professional Accountants* - for assurance engagements in connection with reporting to the Clean Energy Regulator (CER) (see Item 6 in Table 2 in below);
- (b) For assurance engagements, whether mandatory or voluntary:
 - (i) Parts 1 to 3 of the current version of APES 110; and
 - (ii) For attestation engagements either:
 - a. Part 5 of the IESBA Code (see paragraphs 5400.3b to 5400.3d of the IESBA Code) subject to relevant transitional provisions – where:
 - i. Information is reported in accordance with a general purpose framework (as defined on page 190 of the IESSA – ‘A reporting framework designed to meet the common information needs of a wide range of users. ...’) and is either:
 - Required to be provided in accordance with law or regulation; or
 - Publicly disclosed to support decision-making by investors or other users; or
 - ii. Required by law or regulation;
 - b. Part 4B of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the IESBA (paragraph 5400.3e of the IESBA Code) - in all other cases;
- (c) The independence requirements in Chapter 2M of the Act (Chapter 2M) – where assurance is required over mandatory sustainability reporting under Chapter 2M. This is in addition to the relevant requirements in (b) above.

19. The application dates in ASSA 5000 that refer to 1 January 2025 would prevail over the effective dates for Part 5 of the revised APES 110. The APESB could adopt transitional provisions and other provisions on timing in Part 5 of the revised APES 110 that differ from those that apply under ASSA 5000 and Part 5 of the IESBA Code.

What has changed?

20. Prior to ASSA 5000, Part 4B of APES 110 applied to assurance engagements over sustainability information (see *ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ASAE 3000) and *ASA 102 Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements*) (ASA 102).

² As per footnote 1 on the previous page.

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21. The main areas of higher requirements in Part 5 of the IESBA Code compared to Part 4B of APES 110 relate to:
- (a) Prohibiting specified non-audit services (i.e. the ‘threats and safeguards’ approach can no longer be applied);
 - (b) Rotating over specified periods the engagement leader, engagement quality reviewer, any other key sustainability assurance leader or a key audit partner for a PIE engagement;
 - (c) Independence of external experts used; and
 - (d) Independence in connection with value chain components.
22. Most of the prohibitions on non-audit services in Part 5 of the IESBA Code already apply to auditors of PIE financial reports. Part 5 of the IESBA Code is modelled on Part 4A of the IESBA Code (also Part 4A of APES 110).

What are the transitional and other timing provisions?

23. Where applicable, the main areas of higher requirements in Part 5 of the IESBA Code compared to Part 4B of APES 110 are covered by transitional provisions and other timing provisions shown in Table 1 below.

Table 1: Transitional and other timing provisions in Part 5 of the IESBA code (for areas of higher requirements in Part 5 of the IESBA Code compared to Part 4B of APES 110)

No.	Area of higher requirements in Part 5 of the IESBA Code compared to Part 4B	Transitional provisions and other timing provisions in Part 5 of the IESBA Code
1	Prohibited non-assurance services under Section 5600 of Part 5 of the IESBA Code, irrespective of any safeguards.	<p>The second paragraph of the transitional provisions on page 248 of the IESSA allows the otherwise prohibited non-audit services to continue in accordance with the original engagement terms for no more than one reporting cycle.</p> <p>Given the application dates for ASSA 5000, this provision operates to allow non-audit services where work by the firm or a network firm has already been commenced to continue for the first reporting period in which mandatory or voluntary assurance is provided over any sustainability information in a report for reporting periods commencing on or after 1 January 2025. The prohibition does not apply for non-audit services provided prior to the commencement of that first reporting period.</p> <p>The transitional provision applies to non-audit services that would otherwise have been prohibited under Part 5 of the IESBA Code but were previously acceptable under Part 4B of APES 110 provided appropriate safeguards were in place. Such safeguards should continue to be applied during the transitional period.</p>
2	The engagement leader, engagement quality reviewer, any other key sustainability assurance leader or a key audit partner for a PIE engagement must rotate after a maximum of seven cumulative years.	<p>In applying Part 5 of the IESBA Code under ASSA 5000:</p> <ul style="list-style-type: none"> (a) Where an individual has served as key sustainability assurance leader or a key audit partner for six or more cumulative years before the first engagement covered by ASSA 5000, they can continue in that role for a further two years with the concurrence of those charged with governance of the entity whose information is subject to assurance (see paragraphs R5540.10 and R5540.10a of Part 5 of the IESBA Code); and (b) A key sustainability assurance leader at a small firm that has only a few people with the necessary knowledge and experience to serve in that role may remain in that role for more than seven years if an independent regulatory body that has specified other

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No.	Area of higher requirements in Part 5 of the IESBA Code compared to Part 4B	Transitional provisions and other timing provisions in Part 5 of the IESBA Code
		requirements gives an exemption (see paragraph R5540.11 of Part 5 of the IESBA Code). Auditors should have also regard to the lead auditor and review auditor rotation requirements in respect of audits under the Act for listed entities in s324DA of the Act. The rotation requirements for 'key audit partners' for audits of PIE financial reports in Part 4A of APES 110 continue to apply and should also be considered.
3	Requiring external experts used by the assurance practitioner to comply with Part 5 (see Final Pronouncement: Using the Work of an External Expert)	There are no transitional provisions in Part 5 of the IESBA Code.
4	Independence of assurers of information from entities in value chains under Sections 5405 and 5406 of Part 5 of the IESBA Code.	The provisions in Part 5 of the IESBA Code in relation to value chain components apply from reporting periods commencing 1 July 2028 or 'as at a specific date' engagements on or after 1 July 2028 (see 'Effective Date' section on page 248 of the IESSA).

III. Questions raised by audit firms and proposals in ED 01/25

24. The independence requirements in Part 5 of the IESBA Code apply for assurance engagements over reports on sustainability information of PIEs under general purpose reporting frameworks. Part 4B of the IESBA Code (consistent with Part 4B of the [pre-existing APES 110](#)) otherwise applies (see paragraphs R5400.10 to R5400.10c of Part 5 of the IESBA Code).
25. Some audit firms raised questions about the adequacy of transitional provisions for certain independence requirements in Part 5 of the IESBA Code that apply to PIE assurance engagements on reports under general purpose frameworks, given the 1 January 2025 application dates under ASSA 5000.
26. The matters raised by audit firms and the AUASB's proposed approach are summarised in Table 2 below. The matters raised should not be taken to suggest that there have necessarily been inadvertent breaches of Part 5 of the IESBA Code in practice.

Table 2: Matters raised by audit firms on application of independence requirements in Part 5 of IESBA Code and other matters

No.	Matter	Considerations	Proposed approach in ED 01/25
1	Firms could inadvertently breach the provisions of Part 5 of the IESBA Code on non-assurance services (NAS) prohibited for PIE engagements, either: (a) before ASSA 5000 was approved by the AUASB on 28/1/25; or (b) before the requirements were well known by practitioners.	<ul style="list-style-type: none"> • Part 4A of the pre-existing APES 110 continues to apply where the practitioner is also the auditor of a PIE financial report. Part 4A contains most of the prohibitions in Part 5 of the IESBA Code. Prohibitions unique to Part 5 of the IESBA Code are: <ul style="list-style-type: none"> ○ Providing sustainability data and information services; and ○ Valuations and advisory services on forward-looking information. • In applying a threats and safeguards approach under the Part 4B of the pre-existing 	It is proposed to amend ASSA 5000 such that: (a) A non-assurance engagement otherwise prohibited under Section 5600 of Part 5 of the IESBA Code by a firm or network firm entered into with a sustainability assurance client may continue for one more reporting period provided that: <ul style="list-style-type: none"> • the provisions of Parts 1 to 4B of APES 110 as applicable continue to be complied with; and • the engagement was contracted and work

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No.	Matter	Considerations	Proposed approach in ED 01/25
	<p>The provision of certain NAS may have been acceptable under the pre-existing APES 110.</p>	<p>APES 110, there may be no appropriate safeguards for some NAS. This may include self-review threats where the sustainability assurance practitioner provides advice to the entity on its sustainability reporting.</p> <ul style="list-style-type: none"> The application of the fundamental principles in the pre-existing APES 110 should also be considered. An APESB exposure draft will propose transitional provisions in this area but applying from 1 January 2026. 	<p>commenced before 1 January 2025 or was inadvertently contracted and work commenced before 1 July 2025;</p> <p>(b) The provisions in Section 5390 in Part 5 of the IESBA Code on using the work of external experts do not apply for assurance engagements on sustainability information reported before:</p> <ul style="list-style-type: none"> Reporting periods beginning on or after 1 January 2026; or As at a specific date engagements on or after 1 January 2026.
2	<p>There are no transitional provisions for the independence provisions in Part 5 of the IESBA Code concerning the use of external experts. External experts may not have the necessary systems and processes to provide the information required by the IESBA Code.</p>	<ul style="list-style-type: none"> The application of the fundamental principles in the pre-existing APES 110 should be considered. An option could be to apply the reduced requirements for non-PIEs (paragraph R5390.12 of <i>IESBA Revisions to the Code Addressing Using Work of an External Expert</i>) for a period in place of the requirements for PIEs (paragraph R5390.14 in <i>IESBA Revisions to the Code Addressing Using Work of an External Expert</i>). An APESB exposure draft will propose transitional provisions in this area but applying from 1 January 2026. 	<p>The illustrative assurance reports at the end of ASSA 5000 will need to be amended consistent with subparagraphs 190(d)(iv) and (v) of ASSA 5000 to state the Code used and its source. This necessitates stating the exceptions above where they may have been applied.</p>
3	<p>Where an engagement requires assurance over information as at a specified date shortly after 1 January 2025 and not assurance over information for a reporting period, ASSA 5000 could apply for assurance reports rendered within the first few months after 1 January 2025.</p> <p>For example, some engagements to certify or assess a financial instrument or activity as ‘green’ or ‘sustainable’ could be affected.</p> <p>Changing the commencement date of ASSA 5000 for</p>	<ul style="list-style-type: none"> The amendments proposed for items 1 and 2 above would address concerns with the application of Part 5 of the IESBA Code. ASSA 5000 is based on ASAE 3000 with a number of enhancements in areas such as risk assessment. 	<p>It is proposed to amend ASSA 5000 to change the commencement dates for engagements (other than engagements on information in sustainability reports under Chapter 2M) to apply to as at a specified date engagements on or after 31 December 2025 and for reporting periods ending on that date.</p>

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No.	Matter	Considerations	Proposed approach in ED 01/25
	<p>engagements other than those on information in sustainability reports under Chapter 2M would:</p> <p>(a) address the matters outlined in items 1 and 2 above concerning adoption of Part 5 of the IESBA Code; and/or</p> <p>(b) allow more time for firms to identify any increased requirements in ASSA 5000 compared to ASAE 3000 and update their methodologies.</p>		
4	<p>The engagement leader, engagement quality reviewer, any other key sustainability assurance leader or a key audit partner for a PIE engagement must rotate after a maximum of seven cumulative years.</p> <p>Past sustainability assurance engagements (which may include assurance engagements on information reported to the CER) may count towards the rotation period for partners for PIE sustainability assurance engagements over reports under general purpose frameworks.</p>	<ul style="list-style-type: none"> • Any changes to ASSA 5000 would be ineffective in the absence of changes to APES 110 or the IESBA Code. • Changes (if any) that might be made by IESBA or the APESB would apply when ASSA 5000 is amended for future revised versions of APES 110. • In applying Part 5 of the IESBA Code under ASSA 5000: <ul style="list-style-type: none"> (a) Where an individual has served as key sustainability assurance leader or a key audit partner for six or more cumulative years before the first engagement covered by ASSA 5000, they can continue in that role for a further two years with the concurrence of those charged with governance of the entity (see paragraphs R5540.10 and R5540.10a in Part 5 of the IESBA Code); and (b) A key sustainability assurance leader at a firm that has only a few people with the necessary knowledge and experience to serve in that role may remain in that role for more than seven years if an independent regulatory 	<p>It is not proposed to amend ASSA 5000 for the reasons outlined in the ‘Considerations’ column.</p>

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No.	Matter	Considerations	Proposed approach in ED 01/25
		<p>body has given an exemption and specifies other requirements (see paragraph R5540.11 of Part 5 of the IESBA Code).</p> <ul style="list-style-type: none"> Auditors should have also regard to the lead auditor and review auditor rotation requirements in respect of audits under the Act for listed entities in s324DA of the Act. The rotation requirements for 'key audit partners' for audits of PIE financial reports in Part 4A of APES 110 continue to apply and should also be considered. 	
5	The independence requirements in Part 5 of the IESBA Code relating to value chain components.	<ul style="list-style-type: none"> These requirements do not apply until 1 July 2028. The APESB proposes that the requirements apply from 1 July 2027. Any changes to ASSA 5000 would be ineffective in the absence of changes to APES 110 or the IESBA Code. Changes (if any) that might be made by the IESBA or APESB would apply when ASSA 5000 is amended for future revised versions of APES 110. 	It is not proposed to amend ASSA 5000 for the reasons outlined in the previous column.
6	Clarification should be provided that ASSA 5000 does not apply to assurance on sustainability information reported to the CER. While the current exception where ASAE 3410 <i>Assurance Engagements on Greenhouse Gas Statements</i> (ASAE 3410) is required to be applied is helpful, assurance could be required on information that is not within the scope of ASAE 3410.	<ul style="list-style-type: none"> <u><i>National Greenhouse and Energy Reporting (Audit) Determination 2009</i></u> is a legislative instrument and prevails over ASSA 5000 for assurance on information reported to the CER under the <u><i>National Greenhouse and Energy Reporting Act 2007</i></u> and other legislation. That Determination requires the use of the AUASB assurance standards in force on 1 July 2017, including June 2014 version of <u><i>ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information</i></u> and Part 4B of the December 2010 version of <u><i>APES 110 Code of Ethics for Professional Accountants</i></u>. 	It is proposed to amend ASSA 5000 to clarify that the standards to be applied are those specified by the Determination.

AUASB outreach to date

27. The AUASB has undertaken extensive informal outreach and consultation with audit firms and other stakeholders, which has assisted in developing ED 01/25. No matters concerning the

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application of specific provisions of Part 5 of the IESBA Code from 1 January 2025 were raised that are not detailed in Table 2 above.

28. As well as meetings with audit firms and other stakeholders, this outreach included informal consultation on draft Frequently Asked Questions (FAQs) explaining the timing of the application of the independence provisions in Part 5 of the IESBA Code. The proposed amendments in ED 01/25 and this Explanatory Memorandum replace the draft FAQs for the time being.

Other options considered

29. Table 3 below outlines some other options considered by the AUASB to address the matters raised by audit firms. These options are not reflected in the proposals in ED 01/25.

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Table 3: Some other options considered by the AUASB but not adopted in ED 01/25

No.	Option	Pros	Cons
1	Not amend ASSA 5000 to provide transitional relief on NAS and external experts.	<ul style="list-style-type: none"> • Any transitional provisions might be seen to be inconsistent with the adoption of Part 5 of the IESBA Code under ISSA 5000. • In our public consultation on ISSA 5000, there was strong stakeholder support for adopting without departures. • The extent of any matters in practice is unclear. • Transitional provisions might be seen to set a precedent for the future application of the ‘at least as demanding test’ for applying alternative ethical requirements. 	<ul style="list-style-type: none"> • Transitional provisions would allow Part 5 of the IESBA Code to be adopted with the minimal departures necessary to address possible practical implementation issues. Such provisions would not apply after the mandatory application dates for ISSA 5000 and Part 5 of the IESBA Code. • Would not address practical matters raised by audit firms that are capable of being addressed in ASSA 5000. • Would not address any circumstances where practitioners and experts could not reasonably have known about the requirements and developed appropriate systems and processes.
2	Not defer application of Part 5 of the IESBA Code for assurance over information voluntarily reported in annual reports (other than voluntary information in a mandatory sustainability report).	<ul style="list-style-type: none"> • The main concern of firms is the application of Part 5 of the IESBA Code for mandatory reporting and assurance by Group 1 entities under the Act. • Mandatory and voluntary reporting and assurance may be provided in different parts of an annual report. • It may be inconsistent to have one set of requirements for similar mandatory and voluntary assurance engagements. • Avoids the need for firms to maintain two audit methodologies for similar engagements. • Avoids possible confusion for entities and investors. 	<ul style="list-style-type: none"> • The main imperative for adopting ASSA 5000 from 1 January 2025 is mandatory assurance on information in sustainability reports under the Act. • With a deferral, Part 4A (upon which Part 5 is based) will still apply for financial reports audits where the auditor is also the voluntary sustainability assurance provider. • With a deferral, early application is still permitted.
3	Defer application of the entire Part 5 of the IESBA Code to 1 January 2026, with the current APES 110 applying in full in the meantime.	<ul style="list-style-type: none"> • Aligns with proposed start date in APES 110, albeit that date was proposed on the basis that it would be replaced by 1 January 2025 through ASSA 5000. 	<ul style="list-style-type: none"> • The APESB has not made any final decisions, including the start date. • A commencement date of 1 January 2025 is consistent with the commencement date for assurance under Chapter 2M. • There are no possible practical matters that would be addressed by a full deferral of Part 5 of the IESBA Code that are not addressed by the proposed amendments in ED 01/25. • Inconsistent with: <ul style="list-style-type: none"> ○ the adoption of Part 5 of the IESBA Code under ISSA 5000; ○ the importance of adopting Part 5 as outlined in paragraphs 6 and 7 of ISSA 5000; and ○ the requirements of ISSA 5000 concerning compliance with Part 5 of the IESBA Code, such as the

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No.	Option	Pros	Cons
			<p>requirement for the engagement partner to comply.</p> <p>Any departures from Part 5 should be limited to those departures necessary to address possible practical implementation issues.</p> <ul style="list-style-type: none"> • A deferral would require auditors to state in their audit reports that they have not complied with Part 5 of the IESBA Code. • With a deferral, Part 4A (upon which Part 5 is based) will still apply for financial reports audits where the auditor is also the sustainability assurance provider.
4	Do nothing.	<ul style="list-style-type: none"> • The identified areas of possible practical issues with applying Part 5 of the IESBA Code may not exist in practice. • Irrespective of AAS 5000: <ul style="list-style-type: none"> (a) As a minimum the fundamental principles in APES 110 and the ‘threats and safeguards’ approach in Part 4B of APES 110 applied; (b) Auditors of financial reports continue to be subject to Part 4A of APES 110. <p>For example, advice on sustainability reporting would create a self-review threat for the auditors of the information in sustainability reports. This may not preclude general information that is not entity specific and pre-assurance reviews where the audited entity has made genuine work to comply with the reporting requirements and management and directors take full responsibility.</p> <ul style="list-style-type: none"> • Amendments can be considered when a practical issue is identified. • Ensures consistency with ISSA 5000. • Accounting bodies and ASIC might not take action for any initial inadvertent non-compliances with increased requirements. 	<ul style="list-style-type: none"> • Will not remove uncertainty for practitioners. • There may be practical issues with the provisions on use of external experts and prohibited non-audit services in Part 5 of the IESBA Code. • Practitioners and experts may not have considered the requirements of Part 5 of the IESBA Code from 1 January 2025 under ASSA 5000. They may not have updated methodologies, systems and processes. • Breaches may need to be reported by the auditor pursuant to paragraph 190 of ASSA 5000 and, where applicable, in the auditor’s independence declaration under Chapter 2M. There is potential that this will detract from investor confidence in the information subject to assurance.

IV. APESB exposure draft

30. On 25 March 2025, the APESB has issued two exposure drafts proposing to revise APES 110 for Part 5 of the IESBA Code and changes to other parts of the IESBA Code (the proposed revised APES 110):

- (a) [APESB Exposure Draft 01/25 Proposed Australian Ethics Standards for Sustainability Assurance \(including Independence Standards\) and Other Revisions to the Code Relating to Sustainability Assurance and Reporting](#); and

ED 01/25 Proposed amendments to ASSA 5000 *General Requirements for Sustainability Assurance Engagements* and ASA 102 *Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements*

- (b) APESB Exposure Draft 02/25 Revisions to APES 110 Code of Ethics for Professional Accountants (including Independence Standards) Addressing Using the Work of an External Expert.
31. AUASB ED 01/25 proposes that the current reference to Parts 1 to 3 of APES 110 and Part 5 of the IESBA Code in ASSA 5000 (see definition of ‘the Code’ in paragraph Aus 18.1 of ASSA 5000) would be replaced with a reference to the final revised APES 110. It is proposed that this change apply retrospectively from the application dates in ASSA 5000 because:
- (a) There are no substantive differences between Part 5 of the IESBA Code and Part 5 of the proposed revised APES 110; and
- (b) Retrospective adoption will avoid the need for assurance reports for the year ending 31 December 2025 to refer to two sets of ethical standards covering different parts of the year.
32. To avoid being seen to set retrospective standards in mid-2025, the APESB exposure drafts propose that Part 5 in a revised APES 110 would apply from 1 January 2026 (other than provisions relating to value chains which would apply from 1 July 2027). However, the papers for the APESB Board meeting on 6 March 2025 noted that adopting the final revised APES 110 in ASSA 5000 was expected to result in the revised APES 110 applying from the current 1 January 2025 commencement date in ASSA 5000. APESB Exposure Draft 01/25 also states that the application date in ASSA 5000 was taken into account when developing that exposure draft.
33. The APESB exposure drafts include additional transitional provisions for certain non-assurance services and the use of experts for PIE engagements based on a 1 January 2026 commencement date. The additional transitional provisions in ASSA 5000 (see items 1 and 2 in Table 2 above) will continue to be required given the earlier commencement dates in ASSA 5000.

Comment periods for APESB and AUASB exposure drafts

34. The APESB exposure drafts are open for comment until 12 May 2025. AUASB ED 01/25 is open for comments for a 30-day period ending 1 May 2025.

V. Timing of proposed amending standards

35. While the APESB is aiming to consider the feedback on its exposure drafts at its scheduled meeting on 17 June 2025, the timing of any amendments to APES 110 is a matter for the APESB.
36. In order to provide certainty on the application of Part 5 of the IESBA Code on a timely basis, it is currently proposed to amend ASSA 5000 in two stages. ASSA 5000 would be first amended to introduce transitional provisions for certain requirements in Part 5 of the IESBA Code and later amended to adopt the final revised APES 110 when it is available.
37. Adopting a revised APES 110 will not address possible practical matters in applying the provisions of Part 5 of the IESBA Code on non-assurance services and use of external experts for 2025. For example, the proposed APESB changes would apply the non-PIE provisions for the use of external experts for PIE engagements for one year from 1 January 2026. The proposed amendments to ASSA 5000 would also provide relief from the provisions for the use of external experts for the year commencing 1 January 2025.
38. Accordingly, ED 01/25 contains two proposed amending standards:
- (a) Part A: Proposed amending standard ASSA 2025-3 – before revised APES 110 is issued; and
- (b) Part B: Proposed amending standard ASSA 2025-4 – after revised APES 110 is issued).
39. The AUASB may consolidate the proposed amendments in Parts A and B of ED 01/25 into a single set of amendments if the revised APES 110 is issued without delay.

ED 01/25 Proposed amendments to ASSA 5000 *General Requirements for Sustainability Assurance Engagements* and ASA 102 *Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements*

40. It is proposed that the amendments in both Part A and Part B would apply retrospectively from the application dates of ASSA 5000.

VI. Key proposals

41. The proposed ASSA 2025-3 and ASSA 2024-4 amend ASSA 5000 and ASA 102 as outlined in Table 2 above.

VII. Request for comments

42. The AUASB requests comments on all matters covered in ED 01/25, but specifically on the questions in the ‘Exposure Draft Questions’ section below. In this regard:
- (a) Comments should be sufficiently detailed and include whether or not stakeholders agree with the proposed amendments.
 - (b) Stakeholders may address only specific questions relevant to them or raise matters not specifically addressed by a question.
 - (c) The AUASB regards both supportive and critical comments as essential to a balanced review of the proposed amending standards.
 - (d) Comments will be most helpful when they refer to specific paragraphs, include the reasons for the comments and, when appropriate, make specific suggestions for any proposed changes to wording.

VIII. Exposure draft questions

43. The AUASB is seeking comments from stakeholders on the following questions (please include reasons supporting your responses to the questions):

1. Do you agree that the proposed amendments to introduce new transitional provisions in ASSA 5000 for certain requirements of Part 5 of the IESBA Code are appropriate, taking into account:
 - (a) the AUASB’s objective of issuing assurance standards that are consistent with IAASB standards;
 - (b) the importance of ethical requirements in Part 5 of the IESBA Code for sustainability assurance engagements; and
 - (c) the possible practical implications of adopting Part 5 of the IESBA Code from 1 January 2025.
2. Do you agree with the proposal to change the start date for applying ASSA 5000 to engagements other than engagements for assurance over information in sustainability reports under Chapter 2M?
3. In the alternative, are you of the view that the AUASB should not make the amendments referred to in Questions 1 and 2 above?
4. Are there any other options that should be considered by the AUASB?
5. If you agree with amending ASSA 5000, do you agree that the AUASB should amend ASSA 5000 as soon as possible to provide certainty to assurance practitioners and assured entities? In the alternative, should the AUASB wait for the APESB to issue a revised APES 110 before making any amendments to ASSA 5000?
6. Do you agree with the proposal to clarify the application of AUASB standards for assurance engagements on information reported to the Clean Energy Regulator?

ED 01/25 Proposed amendments to ASSA 5000 *General Requirements for Sustainability Assurance Engagements* and ASA 102 *Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements*

7. Do you have any comments on the proposed amendments to the illustrative assurance reports in ASSA 5000, taking into account the requirements of subparagraphs 190(d)(iv) and (v) of that standard?
8. Are there any matters that the AUASB should be aware of in connection with the proposal to amend ASA 102 to adopt the proposed revised APES 110 for non-sustainability assurance engagements with effect from financial reporting periods commencing on or after 1 January 2026?
9. What are the costs and benefits of the proposals, whether quantitative or qualitative and whether financial or non-financial?
10. Are there any other significant public interest matters that you wish to raise on the proposals in this exposure draft?

**PART A: PROPOSED AMENDING STANDARD ASSA 2025-3 –
BEFORE REVISED APES 110 IS ISSUED**

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AUTHORITY STATEMENT

The Auditing and Assurance Standards Board (AUASB) makes this Standard on Sustainability Assurance ASSA 2025-3 Amendments to ASSA 5000 *General Requirements for Sustainability Assurance Engagements* as an assurance standard pursuant to section 227B(1)(a) and (b) of the *Australian Securities and Investments Commission Act 2001* and for the purposes of s336 of the *Corporations Act 2001*.

Conformity with International Standards

The amendments made by this ASSA to ASSA 5000 *General Requirements on Sustainability Assurance Engagements* create certain additional transitional provisions on the adoption of Part 5 of the *International Ethics Standards for Sustainability Assurance (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants. ASSA 5000 does not conform with ISSA 5000 *General Requirements on Sustainability Assurance Engagements* to the extent that an assurance practitioner relies on those transitional provisions.

The additional transitional provisions do not apply after the commencement of ISSA 5000. ISSA 5000 is effective for assurance engagements on sustainability information reported:

- (a) For periods beginning on or after 15 December 2026; or
- (b) As at a specific date on or after 15 December 2026.

However, ISSA 5000 does permit earlier application of that standard.

AUSTRALIAN STANDARD ON SUSTAINABILITY ASSURANCE ASSA 2025-3

Amendments to ASSA 5000 *General Requirements for Sustainability Assurance Engagements*

Application

1. This ASSA applies as outlined in paragraphs Aus 0.1 and Aus 0.2 of ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) as amended by paragraph 7 of this ASSA.

Operative Dates

2. This standard is operative as outlined in paragraphs Aus 0.3 and Aus 0.4 of ASSA 5000 as amended by paragraph 7 of this ASSA.

Introduction

3. This standard amends ASSA 5000.

Objective

4. The objective of this standard is to amend ASSA 5000 in connection with the application of Part 5 of the IESBA *International Ethics Standards for Sustainability Assurance (including International Independence Standards)*. Minor amendments are also made to ASSA 5000 for clarity.

Amendments to ASSA 5000

5. This ASSA uses underlining, striking out and other typographical material to identify the amendments to ASSA 5000, in order to make the amendments more understandable. However, the amendments made by this ASSA do not include that underlining, striking out or other typographical material. Amended paragraphs are shown with deleted text struck through and new text underlined.
6. The section on ‘Conformity with International Standards on Sustainability Assurance’ in ASSA 5000 is amended as follows:

Conformity with International Standards on Sustainability Assurance

This Standard on Sustainability Assurance conforms with International Standard on Sustainability Assurance ISSA 5000 *General Requirements for Sustainability Assurance Engagements* issued by the International Auditing and Assurance Standards Board.

Paragraphs that have been added to this Standard on Sustainability Assurance (and do not appear or appear differently in/from the text of the equivalent ISSA) are identified with the prefix “Aus”.

The following paragraphs and definitions are additional to or have been amended from ISSA 5000:

ED 01/25 Proposed amendments to ASSA 5000 *General Requirements for Sustainability Assurance Engagements* and ASA 102 *Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements*

Paragraph	Summary of Change
Aus 6.1	Replaces ISSA 5000 introductory paragraph 6 to introduce APES 110 <i>Code of Ethics for Professional Accountants (including Independence Standards)</i> and provisions in Part 5 of the <i>International Ethics Standards for Sustainability Assurance (Including International Independence Standards)</i> .
Aus 18.1	Introduces the definition of ‘the Code’ being: (a) include Parts 1 to 3 of APES 110 Code of Ethics for Professional Accountants (including Independence Standards); and (b) Part 5 of the International Ethics Standards for Sustainability Assurance (Including International Independence Standards), except for certain transitional arrangements relating to non-assurance engagements and the use of external experts. <u>Other than the exceptions in (b), this ensures that ‘Relevant ethical requirements’ are consistent with those in ISSA 5000 (see also Aus 18.3 below).</u>
Aus 18.2	Replaces the definition of ‘Engagement team’ to prohibit the use of internal auditors to provide direct assistance in a sustainability assurance engagement.
Aus 18.3	Replaces definition of ‘Relevant ethical requirements’ to refer to ‘the Code’ such that ‘Relevant ethical requirements’ are consistent with those in ISSA 5000 (see Aus 18.1 above). The definition also includes specific reference to the requirements of Chapter 2M of the <i>Corporations Act 2001</i> .
Aus 18.4	Explains the different terms used in the <i>Corporations Act 2001</i> and AUASB Standards.
Aus 42.1 and Aus 42.2	These paragraphs prohibit the use of internal auditors to provide direct assistance in a sustainability assurance engagement.
Aus A29.1	Prohibits on the use of internal auditors to provide direct assistance in a sustainability assurance engagement.
Appendix 3	Amends illustrative audit reports consistent with the changes to the definition of ‘relevant ethical requirements’.

This Standard on Sustainability Assurance incorporates terminology and definitions used in Australia.

Except where the additional transitional provisions in (b) in the definition of ‘the Code’ in paragraph Aus 18.1 are applied, compliance with this Standard on Sustainability Assurance enables compliance with ISSA 5000.

7. Paragraphs Aus 0.1 to Aus 0.4 and Aus 18.1 of ASSA 5000 are amended as follows:

Application

Aus 0.1 This Standard on Sustainability Assurance (ASSA) applies to assurance engagements on:

- (a) sustainability information in a sustainability report for a financial year in accordance with the *Corporations Act 2001* (the Act);
- (b) sustainability information where the engagement is held out to have been conducted in accordance with this ASSA; and

ED 01/25 Proposed amendments to ASSA 5000 *General Requirements for Sustainability Assurance Engagements* and ASA 102 *Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements*

- (c) sustainability information for any other purpose, except where *National Greenhouse and Energy Reporting (Audit) Determination 2009*~~ASAE 3410~~ (the NGER Determination) applies and that determination does not ~~is~~ required this ASSA to be applied.

Aus 0.2 This ASSA also applies, as appropriate, to assurance on other sustainability information.

Operative Date

Aus 0.3 Subject to paragraph Aus 0.4, this ASSA is effective for assurance engagements on sustainability information reported as follows:

- (a) 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;
- (b) 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 this ASSA is permitted, except where the NGER Determination ASAE 3410 applies and that determination does not permit ~~is required~~ this ASSA to be applied.

~~Note: For the avoidance of doubt, paragraph Aus 0.3(b) does not require this standard to apply to any engagements for periods beginning before 1 January 2025.~~

Aus 0.4 For assurance engagements on sustainability information in a sustainability report under Chapter 2M of the Act for a financial year commencing from 1 January 2025 to 30 June 2030, this ASSA applies as specified in Australian Sustainability Assurance Standard ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001*.

Definition of ‘the Code’

Aus 18.1 The definition of ‘the Code’ is:

- (a) -Parts 1 to 3 of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited; and
- (b) †The provisions in Part 5 of the *International Ethics Standards for Sustainability Assurance (Including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (Part 5 of the IESBA Code) with effect from the operative date of this standard other than as follows:
- (i) Except as stated in (ii) and (iii) below, subject to the transitional provisions for Part 5 of the IESBA Code;
- (ii) A non-assurance engagement otherwise prohibited under Section 5600 of Part 5 of the IESBA Code by a firm or network firm entered into with a sustainability assurance client may continue for one more reporting period provided that:
- a. the provisions of Parts 1 to 4B of APES 110 as applicable continue to be complied with; and

- b. the engagement was contracted and work commenced before 1 January 2025 or inadvertently contracted and work commenced before 1 July 2025;
 - (iii) The provisions in Section 5390 in Part 5 of the IESBA Code on using the work of external experts are not effective for assurance engagements on sustainability information reported before:
 - a. Reporting periods beginning on or after 1 January 2026; or
 - b. As at a specific date engagements on or after 1 January 2026²;
- 8. In each of the four illustrative assurance reports in Appendix 3 of ASSA 5000 the following paragraphs in the *Basis for Reasonable Assurance Opinion and/or Limited Assurance Conclusion* shown below are amended as shown below:

Illustrative assurance reports

We are independent of the Company in accordance with the applicable requirements of the Code being:

- (a) -APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (APES 110); and
- (b) -the provisions in Part 5 of the *International Ethics Standards for Sustainability Assurance (Including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (Part 5 of the IESBA Code), except that as permitted by ASSA 5000:
 - (i) The [firm/network firm] provided [describe service] to [the entity/a controlled entity]; and
 - (ii) The [firm/network firm] did not apply provisions on the use of the work of an external expert used in relation to [describe area].

-[Illustrative Report 1 - as applicable to sustainability assurance engagements of public interest entities, together with the ethical requirements that are relevant to assurance engagements of public interest entities/Illustrative Reports 2 and 4 - together with the ethical requirements that are relevant to our assurance engagements of the Sustainability Information/Information/Illustrative Report 3 - together with the ethical requirements that are relevant to our assurance engagement of the Information RA and Information LA] in in [title/identification of requirements, name of appropriate authority and jurisdiction], and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

Note: The exceptions in paragraph (b) only need to be included where they are relevant to the engagement. For example, the exception in subparagraph (i) can be removed if no non-assurance engagements have been provided by the assurance practitioner or network firms, and the exception in subparagraph (ii) can be removed if no external experts have been used by the assurance practitioner.

Our firm applies Australian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Reports, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

**PART B: PROPOSED AMENDING STANDARD ASSA/ASA
2025-4 – AFTER REVISED APES 110 ISSUED**

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AUTHORITY STATEMENT

The Auditing and Assurance Standards Board (AUASB) makes this Standard on Sustainability Assurance ASSA 2025-3 Amendments to ASSA 5000 *General Requirements for Sustainability Assurance Engagements* as an assurance standard pursuant to section 227B(1)(a) and (b) of the *Australian Securities and Investments Commission Act 2001* and for the purposes of s336 of the *Corporations Act 2001*.

Conformity with International Standards

The amendments made by this ASSA to ASSA 5000 *General Requirements on Sustainability Assurance Engagements* on the adoption of a revised version of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited do not remove certain additional transitional provisions. ASSA 5000 does not conform with ISSA 5000 *General Requirements on Sustainability Assurance Engagements* to the extent that an assurance practitioner relies on those transitional provisions.

The additional transitional provisions do not apply after the commencement of ISSA 5000. ISSA 5000 is effective for assurance engagements on sustainability information reported:

- (a) For periods beginning on or after 15 December 2026; or
- (b) As at a specific date on or after 15 December 2026.

However, ISSA 5000 does permit earlier application of that standard.

AUSTRALIAN STANDARD ON SUSTAINABILITY ASSURANCE/ AUSTRALIAN STANDARD ON AUDITING ASSA/ASA 2025-4

Amendments to ASSA 5000 General Requirements for Sustainability Assurance Engagements and other standards

Application

1. This ASSA applies as outlined in paragraphs Aus 0.1 and Aus 0.2 of ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000).

Operative Dates

2. This standard is operative as outlined in paragraphs Aus 0.3 and Aus 0.4 of ASSA 5000.

Introduction

3. This standard amends ASSA 5000 and ASA 102 *Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements* (issued 16 December 2024) (ASA 102).

Objective

4. The objective of this standard is to amend ASSA 5000 and ASA 102 following the release of a revised version of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited.

Amendments

5. This ASSA/ASA uses underlining, striking out and other typographical material to identify the amendments to ASSA 5000 and ASA 102, in order to make the amendments more understandable. However, the amendments made by this ASSA/ASA do not include that underlining, striking out or other typographical material. Amended paragraphs are shown with deleted text struck through and new text underlined.

Amendments to ASSA 5000

6. The section on ‘Conformity with International Standards on Sustainability Assurance’ in ASSA 5000 is amended as follows:

Conformity with International Standard on Sustainability Assurance

This Standard on Sustainability Assurance conforms with International Standard on Sustainability Assurance ISSA 5000 *General Requirements for Sustainability Assurance Engagements* issued by the International Auditing and Assurance Standards Board.

Paragraphs that have been added to this Standard on Sustainability Assurance (and do not appear or appear differently in/from the text of the equivalent ISSA) are identified with the prefix “Aus”.

The following paragraphs and definitions are additional to or have been amended from ISSA 5000:

ED 01/25 Proposed amendments to ASSA 5000 *General Requirements for Sustainability Assurance Engagements* and ASA 102 *Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements*

Paragraph	Summary of Change
Aus 6.1	Replaces ISSA 5000 introductory paragraph 6 to introduce APES 110 <i>Code of Ethics for Professional Accountants (including Independence Standards)</i> and provisions in Part 5 of the <i>International Ethics Standards for Sustainability Assurance (Including International Independence Standards)</i>.
Aus 18.1	Introduces the definition of ‘the Code’ being: (a) Parts 1 to 3 of APES 110 <i>Code of Ethics for Professional Accountants (including Independence Standards)</i>; and (b) Part 5 of the <i>International Ethics Standards for Sustainability Assurance (Including International Independence Standards)</i>, except for certain transitional arrangements relating to non-assurance engagements and the use of external experts. Other than the exceptions above in (b) , this ensures that ‘Relevant ethical requirements’ are consistent with those in ISSA 5000 (see also Aus 18.3 below).
Aus 18.2	Replaces the definition of ‘Engagement team’ to prohibit the use of internal auditors to provide direct assistance in a sustainability assurance engagement.
Aus 18.3	Replaces definition of ‘Relevant ethical requirements’ to refer to ‘the Code’ (see Aus 18.1 above). The definition also includes specific reference to the requirements of Chapter 2M of the <i>Corporations Act 2001</i> .
Aus 18.4	Explains the different terms used in the <i>Corporations Act 2001</i> and AUASB Standards.
Aus 42.1 and Aus 42.2	These paragraphs prohibit the use of internal auditors to provide direct assistance in a sustainability assurance engagement.
Aus A29.1	Prohibits the use of internal auditors to provide direct assistance in a sustainability assurance engagement.
Appendix 3	Amends illustrative audit reports consistent with the changes to the definition of ‘relevant ethical requirements’.

This Standard on Sustainability Assurance incorporates terminology and definitions used in Australia.

Except where ~~the additional transitional provisions to those in the Part 5 of the *International Ethics Standards for Sustainability Assurance (Including International Independence Standards)* IESBA Code in (b)~~ in:

- (a) ~~the definition of ‘the Code’ in paragraph Aus 18.1; or~~
- (b) APES 110 itself,

are applied, compliance with this Standard on Sustainability Assurance enables compliance with ISSA 5000.

7. Paragraphs Aus 18.1 of ASSA 5000 are amended as follows:

Aus 18.1 The definition of ‘the Code’ is:

- (a) ~~Parts 1 to 3 of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to MMMM June 20254) (APES 110); and~~

ED 01/25 Proposed amendments to ASSA 5000 *General Requirements for Sustainability Assurance Engagements* and ASA 102 *Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements*

- (b) ~~The provisions in Part 5 of the *International Ethics Standards for Sustainability Assurance (Including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (Part 5 of the IESBA Code)~~ with effect from the operative date of this standard other than as follows:
- (i) Except as stated in (ii) and (iii) below, subject to the transitional provisions in APES 110~~for Part 5 of the IESBA Code~~;
 - (ii) A non-assurance engagement otherwise prohibited under Section 5600 of APES 110~~Part 5 of the IESBA Code~~ by a firm or network firm entered into with a sustainability assurance client may continue for one more reporting period provided that:
 - a. the provisions of Parts 1 to 4B of APES 110 as applicable continue to be complied with; and
 - b. the engagement was contracted and work commenced before 1 January 2025 or inadvertently contracted and work commenced before 1 July 2025;
 - (iii) The provisions in Section 5390 Part 5 of APES 110~~the IESBA Code~~ on using the work of external experts are not effective for assurance engagements on sustainability information reported before:
 - a. Reporting periods beginning on or after 1 January 2026; or
 - b. As at a specific date on or after 1 January 2026.

8. In each of the four illustrative assurance reports in Appendix 3 of ASSA 5000 the following paragraphs in the *Basis for Reasonable Assurance Opinion and/or Limited Assurance Conclusion* shown below are amended as shown below:

Under Basis for Reasonable Assurance Opinion and/or Limited Assurance Conclusion

We are independent of the Company in accordance with the applicable requirements of the Code being:

- (a) ~~APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (APES 110);~~ and
- (b) ~~the provisions in Part 5 of the *International Ethics Standards for Sustainability Assurance (Including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (Part 5 of the IESBA Code)~~, except that as permitted by APES 110 or ASSA 5000:
- (i) The [firm/network firm] provided [describe service] to [the entity/a controlled entity]; and
 - (ii) The [firm/network firm] ~~did not apply~~[did not apply/applied reduced] provisions on the use of the work of an external expert who used in relation to [describe area].

[Illustrative Report 1 - as applicable to sustainability assurance engagements of public interest entities, together with the ethical requirements that are relevant to assurance engagements of public interest entities/Illustrative Reports 2 and 4 - together with the ethical requirements that are relevant to our assurance engagements of the Sustainability Information/Information/Illustrative Report 3 - together with the ethical requirements that are relevant to our assurance engagement of the Information RA and Information LA] in [title/identification of requirements, name of appropriate authority and jurisdiction], and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

Note: The exceptions in subparagraphs (i) and (ii) above~~(b)~~ only need to be included where they are relevant to the engagement. If both are not relevant, the reference to Part 5 of the IESBA Code

ED 01/25 Proposed amendments to ASSA 5000 *General Requirements for Sustainability Assurance Engagements* and ASA 102 *Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements*

can also be omitted. For example, the exception in subparagraph (i) can be removed if no non-assurance engagements have been provided by the assurance practitioner or network firms, and the exception in subparagraph (ii) can be removed if no external experts have been used by the assurance practitioner.

Our firm applies Australian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Reports, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Amendments to ASA 102

9. Paragraph 2 of ASA 102 is amended as follows:
 2. This Auditing Standard is operative for financial reporting periods commencing on or after 1 January 20265.
10. Subparagraph 5(d) of ASA 102 is amended as follows:
 - (d) Relevant ethical requirements means ethical requirements that apply to the auditor, assurance practitioner, engagement quality reviewer and firm. In Australia, these include the applicable requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*, issued by the Accounting Professional & Ethical Standards Board Limited (APESB) (November 2018 incorporating all amendments to ~~MMMM~~June 20254), the applicable provisions of the *Corporations Act 2001* and other applicable law or regulation.