

# International Ethics Standards for Sustainability Assurance (IESSA)

## IESBA Staff Questions & Answers

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This Questions and Answers (Q&A) publication is issued by the Staff of the International Ethics Standards Board for Accountants (IESBA). It is intended to assist sustainability assurance practitioners (SAPs), jurisdictional standard setters, professional accountancy organizations, and accreditation bodies as they adopt and implement, or apply the provisions in the [International Ethics Standards for Sustainability Assurance \(including International Independence Standards\)](#) (IESSA™). The IESSA was issued as part of the IESBA's global ethics sustainability standards in January 2025. It is contained in, and is a part of, the [International Code of Ethics for Professional Accountants \(including International Independence Standards\)](#) (the Code).



The IESSA was developed in close coordination with the IAASB to ensure that the IESSA and the International Standard on Sustainability Assurance 5000, *General Requirements for Sustainability Assurance Engagements* (ISSA 5000™) are interoperable when applied to sustainability assurance engagements. SAPs may also consider the [IAASB and IESBA Staff joint publication on frequently asked questions related to sustainability assurance engagements](#), addressing matters relevant to both standards

This Q&A publication is designed to highlight, illustrate, or explain aspects of the IESSA and thereby assist in its proper application. The publication does not amend or override the Code, the text of which alone is authoritative. Reading the Q&As is not a substitute for reading the Code. The Q&As are not intended to be exhaustive, and reference to the Code itself should always be made. This publication does not constitute an authoritative or official pronouncement of the IESBA.

Given the equivalence between the IESSA and the ethics and independence provisions applicable to an audit of financial statements in the Code, users of the IESSA might also find the following IESBA Staff Q&As helpful:

- [Revisions to the Definitions of Listed Entity and Public Interest Entity in the Code](#)
- [Engagement Team and Group Audit Independence](#)
- [Revised Non-Assurance Services Provisions of the Code](#)
- [Revised Fee-related Provisions of the Code](#)
- [Long Association of Personnel with an Audit Client](#)
- [Responding to Non-Compliance with Laws & Regulations](#)
- [Tax Planning Services and Activities](#)



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## Scope of the Ethics Provisions

**Q1. Paragraph 5100.1a sets out an expectation that sustainability assurance practitioners (SAPs) have relevant skills, knowledge and experience to perform sustainability assurance engagements (SAEs), and have appropriate training to ensure their assurance skills are continually up to date with relevant developments. Why is this an expectation and not a requirement?**

**A.** Paragraph 5100.1a is an introductory contextual provision that communicates an expectation that is underpinned by the fundamental principles and related requirements set out in Section 5110 of the Code. Therefore, even though paragraph 5100.1a is not a requirement, there are already requirements in the IESSA which, if complied with, will ensure that the expectation set out in paragraph 5100.1a is met. For instance, compliance with the requirements under the fundamental principle of professional competence and due care (see Subsection 5113) will support the fulfilment of the expectation in paragraph 5100.1a.

**Q2. If an SAP who is not a professional accountant (PA) is already subject to certain professional and ethics standards other than the IESSA, for instance, by virtue of their professional affiliation as a lawyer or engineer, does this mean they do not need to comply with the IESSA?**

**A.** The IESSA was designed to be applicable to anyone performing an SAE within the scope of the International Independence Standards (IIS) in the IESSA, regardless of their professional or technical background. In circumstances where an SAP is subject to the IESSA as well as other professional and ethics standards (“other code of conduct”), the practitioner should comply with both the IESSA and the other code of conduct. This is set out in paragraph 5100.6 A5.

Where the IESSA and the other code of conduct include provisions on the same topic (for instance, on how to deal with a situation where the SAP became aware that the client has failed to comply with the applicable laws and regulations<sup>1</sup>), the SAP should apply the more stringent provisions applicable to the situation, unless prohibited by law or regulation (see paragraph 5100.7 A1).

An exception to the above is when, per ISSA 5000, the other code of conduct has been determined by an appropriate authority<sup>2</sup> to be at least as demanding as the provisions of the IESBA Code related to sustainability assurance engagements. In this case, the SAP can simply comply with the other code of conduct and is not required to double-check compliance with the IESSA.

## Equivalence of the IESSA Regarding Part 2 of the Code

**Q3. Why does the IESSA include provisions on pressure – i.e., Section 5270, which is equivalent to Section 270 in Part 2 of the Code – but does not include equivalent Sections within the remainder of Part 2?**

**A.** The IESSA includes equivalent ethics (including independence) standards to those applying to audits of financial statements. This meant replicating and adapting the provisions in Parts 1 and 3 of the Code. Part 2 primarily applies to PAs in business.

However, where an ethics issue arises in the context of a PA in public practice’s (PAPP) relationship with their firm (as opposed to their relationship with the client), the Code requires the PAPP to comply with the provisions in Part 2 of the Code that apply to those circumstances (via the “applicability provisions” – see paragraphs 120.4, R300.5, and 300.5 A1 of the Code).<sup>3</sup>

<sup>1</sup> In the IESSA, the provisions on non-compliance with laws and regulations™ (NOCLAR®) are included in Section 5360.

<sup>2</sup> ISSA 5000, paragraph A63, explains who an appropriate authority might be.

<sup>3</sup> Paragraph references to the extant Code in this document refer to the 2024 version of the Code.



The IESBA considered it important to include Section 5270 in the IESSA because pressure to breach the fundamental principles, which might arise in different situations and is not addressed in the Part 1 equivalent standards in the IESSA, might compromise the performance of SAEs and consequently impair public trust in such engagements.

The IESBA analyzed the remaining sections in Part 2 of the Code and agreed it was not necessary to replicate and adapt them into the IESSA for the following reasons:

- Sections 220 (*Preparation and Presentation of Information*) and 240 (*Financial Interests, Compensation and Incentives Linked to Financial Reporting and Decision Making*) deal with activities other than assurance and were thus excluded from the scope of the project.
- Sections 200 (*Applying the Conceptual Framework – Professional Accountants in Business*), 210 (*Conflicts of Interest*), 250 (*Inducements, Including Gifts and Hospitality*) and 260 (*Responding to Non-compliance with Laws and Regulations*) deal with matters that already have an equivalent in the IESSA, drawn from the corresponding sections in Part 3.
- Section 230 (*Acting with Sufficient Expertise*) is sufficiently covered by the fundamental principles of integrity and professional competence and due care as well as quality management standards with respect to SAEs.

## Responding to Non-Compliance with Laws and Regulations<sup>4</sup>

**Q4. Do the provisions in Section 5360 addressing non-compliance with laws and regulations™ (NOCLAR®) apply to situations where a sustainability assurance client (SAC) did not achieve voluntary commitments or representations they made publicly or bilaterally regarding their sustainability plans or goals?**

- A.** No. Those situations are not scoped in because non-compliance with laws and regulations and non-compliance with voluntary commitments are different.

The NOCLAR provisions in the IESSA do not address situations where the practitioner might encounter or be made aware of a failure or suspected failure by an SAC to meet voluntary sustainability-related commitments (including internal policies, public statements or contractual representations).



**Q5. Why does paragraph 5360.18b A1 in the IESSA – which guides the SAP when considering communicating a situation of NOCLAR to the SAC’s external auditor, if any – not include the materiality factor that is mentioned in paragraph 360.34 A1 in Part 3 of the Code?**

- A.** Paragraph 5360.18b A1 does not include a factor related to the likely materiality of the NOCLAR matter to the audit of the client’s financial statements. This is on the basis that it would not be reasonable to expect an SAP who is not a PA to recognize the materiality of a NOCLAR situation to the audit of the client’s financial statements, especially if the SAP is not familiar with integrated reporting. This rationale was supported by the IESBA’s Sustainability Reference Group (mainly comprised of professionals from outside of the accountancy profession), who agreed that SAPs who are not PAs should not be expected to make judgments about materiality with respect to, or form opinions about, financial statements.

Although materiality is a consideration for NOCLAR communication for PAs in the context of Part 3, not including it as a factor in Section 5360 in the IESSA does not mean that the SAP needs to communicate all instances of NOCLAR or suspected NOCLAR to the auditor. While paragraph 5360.18b A1 sets out a number of factors for consideration, the SAP should exercise professional judgment to ultimately decide whether to communicate actual NOCLAR or suspected NOCLAR to the auditor.

This difference relative to paragraph 360.34 A1 is also reflected in new paragraph 360.18b A1 (in Part 3). To mirror the requirements in paragraphs R5360.18a and R5360.18b, the IESBA agreed to include new requirements in paragraphs R360.18a and R360.18b for the auditor to communicate or consider communicating (respectively) NOCLAR or suspected NOCLAR to the client’s SAP.

<sup>4</sup> For a deep dive on NOCLAR, see the IESBA Staff Questions and Answers [here](#).

## Scope of International Independence Standards (IIS) in the IESSA

**Q6. The IIS in the IESSA apply to SAEs on sustainability information developed in accordance with a general-purpose framework. What are examples of such frameworks?**

- A.** The Glossary to the Code defines a general-purpose framework as a reporting framework designed to meet the common information needs of a wide range of users. This framework may be a fair presentation framework or a compliance framework. Examples of frameworks that meet this definition include, in the context of SAEs, the IFRS sustainability disclosure standards issued by the International Sustainability Standards Board (ISSB), and the European Sustainability Reporting Standards (ESRS) issued by the European Financial Reporting Advisory Group (EFRAG).

**Q7. Do the IIS in the IESSA apply to SAEs on sustainability information developed in accordance with a reporting framework that is not a general-purpose framework?**

- A.** No. The IIS in the IESSA are not applicable to SAEs on sustainability information reported in accordance with a special-purpose framework or entity-developed criteria designed to meet the information needs of a limited number of specified users. For those SAEs, the IIS in Part 4B<sup>5</sup> apply.<sup>6</sup>

**Q8. An SAP undertakes a SAE on sustainability information that includes not only information prepared in accordance with a general-purpose framework but also information prepared in accordance with entity-developed criteria. Do the IIS in the IESSA apply to such a SAE?**

- A.** Yes. If the SAP is expressing a single opinion covering all the sustainability information being reported and not separate opinions covering different parts of the sustainability information, the whole SAE will be within the scope of the IIS in the IESSA, provided that the other scoping criteria set out in paragraph 5400.3b(b) are also met.

**Q9. If an entity has voluntarily engaged an SAP to perform an SAE on the entity's sustainability information prepared in accordance with a general-purpose framework and which is publicly disclosed, is that SAE within the scope of the IIS in the IESSA?**

- A.** Yes. The scoping criteria in the IESSA specify that the IIS apply to an SAE where the sustainability information on which the SAP expresses an opinion is required to be provided in accordance with law or regulation, or is publicly disclosed to support decision-making by investors or other users (see paragraph 5400.3b(b)(i) and (ii)). Therefore, the IIS in the IESSA apply to a voluntary SAE on sustainability information prepared in accordance with a general-purpose framework and the sustainability information is publicly disclosed.

## Period During Which Independence Is Required

**Q10. A firm performs an SAE on sustainability information that describes impacts, risks and opportunities relating to the client's achievement of its sustainability goals by 2030. Does this mean that the firm needs to be independent with respect to the client until that date?**

- A.** No. Paragraph R5400.30 of the IESSA requires independence to be maintained during both:

- (a) The engagement period; and
- (b) The reporting period covered by the report being assured for the engagement.

The engagement period starts when the engagement team begins to perform the SAE. The engagement period ends when the sustainability assurance report is issued. When the engagement is of a recurring nature, it ends at the later of the notification by either party that the professional relationship has ended or the issuance of the final sustainability assurance report. (See paragraph 5400.30 A1.)

With respect to the reporting period for the engagement, the IESSA is not referring to the period covered by the sustainability information from the start date of historical information to the end of any forward-looking information. The reporting period for the engagement refers to the periodic reporting cycle (i.e., the cyclical

<sup>5</sup> Part 4B – Independence for Assurance Engagements Other than Audit Engagements, Review Engagements and Sustainability Assurance Engagements Addressed in Part 5.

<sup>6</sup> Part 4B is currently applicable to other SAEs performed by a PA. However, SAPs who are not PAs are encouraged to apply the IIS in Part 4B for such engagements.

period of the sustainability report). That period might be the same as the reporting period for the financial statements, for example, the calendar year ending December 31, 20XY. (See paragraph 5400.30 A2.) If the periodic reporting period is for the calendar year ending December 31, 20XY but contains forward-looking information covering future years, the reporting period is the same, i.e., the calendar year ending December 31, 20XY.

## Public Interest Entities

**Q11. The IIS in the IESSA do not require the SAP to communicate with the entity's auditor to confirm whether the entity is a public interest entity (PIE) for purposes of the audit engagement. If the SAP is not the entity's auditor and there is no public disclosure on the PIE status of the entity, how might the SAP determine whether the entity is a PIE for purposes of the SAE?**

- A.** The SAP should be able to determine the PIE status of the entity based on the definition of a PIE established in the local jurisdiction for audit purposes. (See paragraphs R400.22 to 400.23 A2 in Part 4A.7) The application of the PIE definition under the Code for purposes of the SAE does not depend on any specific information from the entity's auditor. Nevertheless, in case of any doubt, the SAP may request that management confirm the entity's PIE status with the entity's auditor.

## Determination of the Engagement Team and Sustainability Assurance Team

**Q12. If a component practitioner performs assurance work at a value chain component (VCC), are the individuals from that component practitioner who perform assurance procedures as part of that work engagement team members for the SAE?**

- A.** Yes, individuals from, or engaged by, a component practitioner who perform assurance procedures for the SAE, even at a VCC, are engagement team members. (See definition of engagement team in the Glossary to the Code and paragraph 18 of ISSA 5000, as well as paragraph 5400.10a of the IESSA.)

## Group Sustainability Assurance Engagements

**Q13. A SAP performs a SAE on the sustainability information of a single entity that includes sustainability information from its value chain. Should the firm apply the independence provisions applicable to a single entity or a group?**

- A.** The firm<sup>8</sup> should follow the independence regime applicable to group SAEs in Section 5405 in the IESSA. The IESSA defines group sustainability information as "sustainability information that includes the sustainability information of more than one entity or business unit." In the context of an SAE, the sustainability information of a single entity that includes sustainability information from the value chain constitutes group sustainability information for the purposes of the IESSA. (See paragraph 5405.2 A1 in IESSA.)

**Q14. The auditor of an audit client's group financial statements also performs an SAE on the group sustainability information for the same client. For purposes of applying the IIS in the IESSA, would entities included within the group sustainability assurance client (GSAC), such as group components, be the same as those within the group audit client (GAC)?**

- A.** The determination of entities within the GSAC for independence purposes is the same as the determination of entities within the GAC in the context of the group audit. Consistent with the definition of "group audit client," the definition of "group sustainability assurance client" includes, in addition to the entity on whose group sustainability information the firm expresses an opinion, the relevant related entities<sup>9</sup> and group components at which assurance work is performed.

Related entities are the same for both types of engagements. However, the determination of group components at which assurance work is performed for the SAE might differ from the determination of components at which audit work is performed for the group audit, given the different subject matters and how the engagement team for the group SAE or group audit plans its work to obtain sufficient appropriate evidence to support the firm's sustainability assurance report or audit report, respectively.

As a result, the entities included in the GSAC and therefore subject to the IESSA might be different from the entities included in the GAC and subject to Part 4A.

<sup>7</sup> Part 4A – Independence for Audit and Review Engagements

<sup>8</sup> Many of the provisions in the IIS in the IESSA do not prescribe the specific responsibilities of individuals within the firm for actions related to independence; instead, the IIS refer to "firm" for ease of reference. (See paragraph 5400.4.)

<sup>9</sup> In line with paragraphs R400.27 and R5400.27, the determination of related entities captured within the group audit client and group sustainability assurance client, respectively for independence purposes depends on whether the client is a publicly traded entity.



**Q15. If the GSAC is a PIE, does a component practitioner<sup>10</sup> performing assurance work at a group component that is not a PIE need to comply with the provisions that apply to a PIE or a non-PIE client?**

- A.** If a component practitioner performs assurance work at a group component and the GSAC is a PIE, the component practitioner needs to be independent of the group component in accordance with the provisions in Part 5 applicable to a PIE client, irrespective of whether or not the group component is a PIE. (This position is reflected in paragraphs R5405.10, R5405.16, and R5405.18(b)(ii).).

**Q16. If the group component at which a component practitioner performs assurance work is a publicly traded entity, does the component practitioner need to be independent of all related entities of the group component?**

- A.** No, unless all the related entities of the group component are controlled entities, within the reporting boundary. The IESSA specifies in the definition of a group component that when it is a legal entity, the group component is the entity and any related entities within the reporting boundary over which the entity has direct or indirect control. Therefore, it is irrelevant whether the group component is a publicly traded entity – the related entities of the group component from which the component practitioner needs to be independent are the *controlled entities of the group component*.

**Q17. The IESSA specifies that when a group component is a legal entity, the group component is the entity and any related entities over which that entity has direct or indirect control, but only those that are within the reporting boundary. Under the definition of the corresponding term “component audit client” in the Code in the context of a group audit, there is no such limitation, so the component includes all its controlled related entities. What is the reason for this difference?**

- A.** In the case of an audit of group financial statements, all controlled entities of the group component are also included in the group financial statements. However, in the case of a group SAE, not all the controlled entities of the group component will necessarily be included in the group sustainability information on which the group sustainability assurance firm (GSAF) will express an opinion.

Accordingly, the IESBA determined that for purposes of the IESSA, the group component should only include controlled entities that are within the reporting boundary.

## Value Chain Component

**Q18. Can an SAP provide non-assurance services (NAS) to an entity within the reporting entity’s value chain?**

- A.** The IESSA does not establish independence requirements for the SAP with respect to an entity within the reporting entity’s value chain, unless the entity is a VCC at which the SAP performs assurance work for purposes of the group SAE.<sup>11</sup>

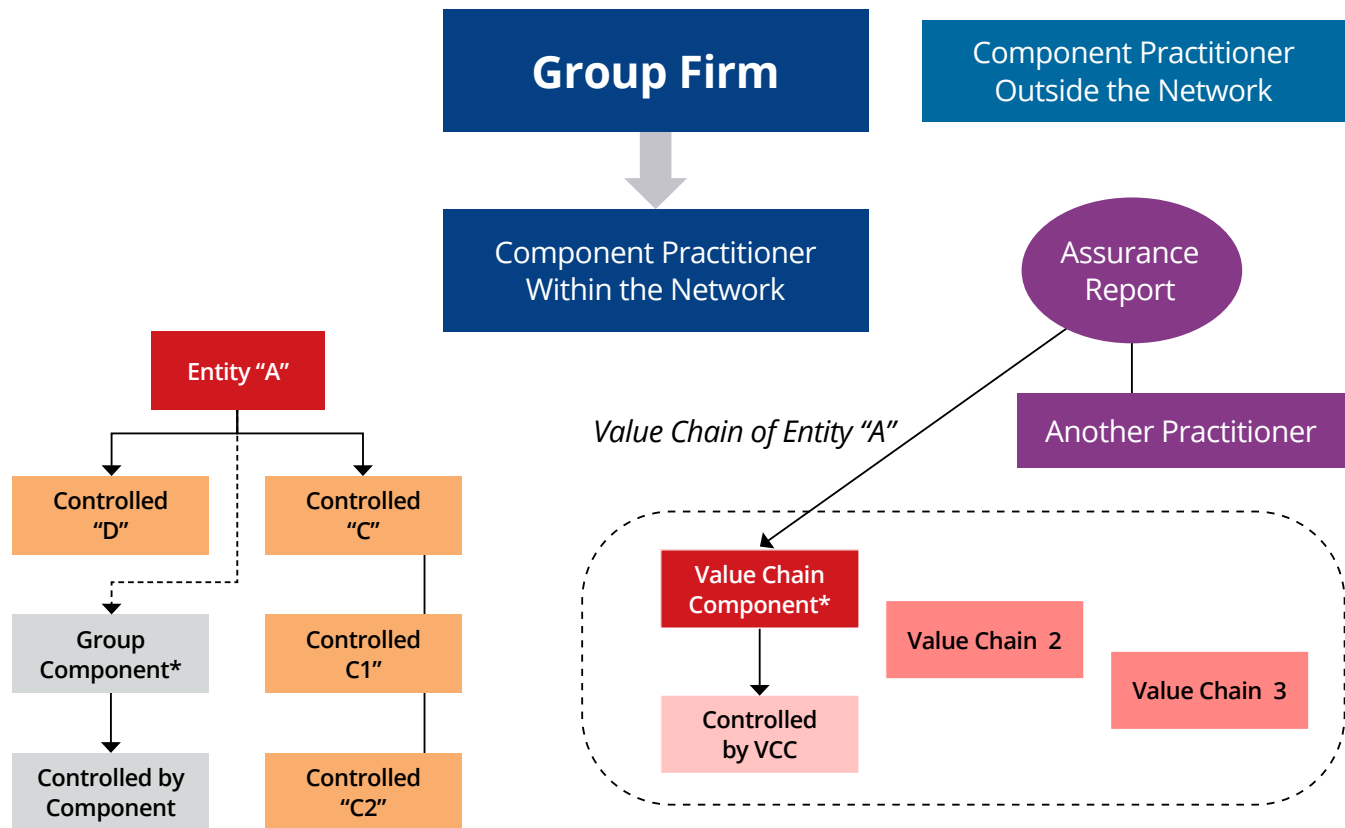
Therefore, the SAP is not required to comply with Section 5600 when providing NAS to a value chain entity unless the entity is a VCC *at which the SAP is performing assurance work for purposes of the group SAE*.

<sup>10</sup> Whether within or outside the group sustainability assurance firm’s network

<sup>11</sup> The Glossary to the Code defines value chain as a reporting concept that is defined, described or otherwise specified in the applicable sustainability reporting framework. An entity from the reporting entity’s value chain is not the same as a VCC. The Glossary defines a VCC as a *component* within the reporting entity’s value chain that is not included in the group financial statements. Consequently, an entity within the reporting entity’s value chain will only be a VCC if the GSAF has determined it is a component for purposes of the group SAE.



**Q19.** A GSAF (*Group Firm* in the diagram below) performs an SAE for its client (*Entity A* in the diagram below). The *Group Firm* performs assurance work at group components of *Entity A* for purposes of the group SAE. *Entity A* also has value chain entities within its reporting boundary. As part of the planning for the group SAE, the *Group Firm* has identified an entity within *Entity A*'s value chain at which assurance work needs to be performed for purposes of the group SAE (indicated as "*Value Chain Component*" in the diagram below).<sup>12</sup>



\* The asterisks indicate components at which assurance work is performed

See also the diagram in Appendix 1 to this document.

**Under the IESSA, what independence requirements apply in the following scenarios?**

- (a) *Entity A* has an information system and process to obtain information from the *Value Chain Component* and the *Group Firm* performs all the necessary assurance work on the *Value Chain Component*'s information from *Entity A*'s information system to obtain sufficient appropriate evidence for purposes of the engagement.

- A.** The *Group Firm* needs to be independent from *Entity A* and all its related entities (i.e., controlled entities C, C1, C2 and D) and group components at which assurance work is performed.

Pursuant to paragraph 5405.2 A3, if the GSAF obtains evidence about a VCC's sustainability information without performing procedures on the underlying data or information maintained by the component, the GSAF is not subject to the independence requirements with respect to that VCC.

Since the *Group Firm* obtains sufficient appropriate evidence on the *Value Chain Component*'s sustainability information by using underlying data and information from *Entity A*'s information system, the *Group Firm* does not need to be independent from the *Value Chain Component*.

<sup>12</sup> See paragraph 96 of ISSA 5000.



- (b) **The Group Firm determines that it can obtain sufficient appropriate evidence on the Value Chain Component's sustainability information by performing confirmation procedures.<sup>13</sup> The Group Firm sends a confirmation request to the Value Chain Component to confirm its information in Entity A's records.**

- A. See scenario (a) above regarding the Group Firm's independence from Entity A.

Performing confirmation procedures to obtain evidence constitutes performing assurance work for purposes of an SAE and the provisions in the IESSA apply. In this regard, it is appropriate to consider the entity that is maintaining the underlying data or information being confirmed.

If the Group Firm sends a confirmation request to the Value Chain Component to confirm the the Value Chain Component's sustainability information maintained in Entity A's records, the Group Firm is not required to be independent of the Value Chain Component (see third bullet point in paragraph 5405.2 A3).

- (c) **Another Practitioner already carried out assurance work on the Value Chain Component's sustainability information and the Group Firm intends to use that assurance work for purposes of the group SAE.<sup>14</sup>**

- A. See scenario (a) above regarding the Group Firm's independence from Entity A.

The Group Firm does not need to be independent of the Value Chain Component (see paragraph 5406.6 A3). However, pursuant to paragraph R5406.6, the Group Firm is required to be satisfied that Another Practitioner meets the independence requirements in Part 5 with respect to the Value Chain Component. The Group Firm might comply with this requirement by reviewing a statement of independence in the other practitioner's assurance report in relation to the assurance work it performed at the Value Chain Component. If no such statement is available, the Group Firm might request Another Practitioner to confirm that the practitioner meets the independence requirements in Part 5 with respect to the Value Chain Component. (See paragraph 5406.6 A1.)

- (d) **Entity A's relationship with the Value Chain Component allows group management to arrange for the Group Firm to obtain full access to information at the Value Chain Component. The Group Firm carries out the assurance work at the Value Chain Component for purposes of the group SAE.**

- A. See scenario (a) above regarding the Group Firm's independence from Entity A.

Pursuant to paragraphs R5405.30A and R5405.32, the Group Firm and members of the group sustainability assurance team (GSAT) from, or engaged by, the GSAF need to be independent from the Value Chain Component in accordance with the independence requirements in Part 5.

- (e) **The Group Firm is able to be sufficiently and appropriately involved in the work of a network firm, Component Practitioner Within the Network, that will perform the assurance work on the Value Chain Component's sustainability information.<sup>15</sup>**

- A. See scenario (a) above regarding the Group Firm's independence from Entity A.

Pursuant to paragraphs R5405.30B and R5405.33, the Component Practitioner Within the Network and members of the GSAT from, or engaged by, that component practitioner need to be independent from the Value Chain Component in accordance with the IIS in Part 5.

However, the Group Firm does not need to be independent of the Value Chain Component (see paragraph 5405.33 A2).

- (f) **The Group Firm is able to be sufficiently and appropriately involved in the work of another firm, Component Practitioner Outside the Network, that will perform the assurance work on the Value Chain Component's sustainability information.<sup>16</sup>**

- A. See scenario (a) above regarding the Group Firm's independence from Entity A.

Pursuant to paragraphs R5405.31 and R5405.34, the Component Practitioner Outside the Network and members of the GSAT from, or engaged by, that component practitioner need to be independent from the Value Chain Component in accordance with the IIS in Part 5.

However, the Group Firm does not need to be independent of the Value Chain Component (see paragraph 5405.34 A2).

<sup>13</sup> See paragraphs 141R, A290 of ISSA 5000.

<sup>14</sup> See paragraphs 50-55 and 96(c) of ISSA 5000.

<sup>15</sup> See paragraph A19 of ISSA 5000.

<sup>16</sup> See paragraph A19 of ISSA 5000.

**Q20. A component practitioner performs assurance work at a VCC for the purposes of a group SAE. The VCC is not a PIE, but the entity on whose group sustainability information the assurance report is issued is a PIE. Does the component practitioner need to comply with the independence provisions that apply to a PIE or non-PIE client?**

- A.** The component practitioner needs to comply only with the independence provisions that apply to a client that is not a PIE. Irrespective of whether the GSAC or VCC is a PIE, a component practitioner, whether within or outside the GSAF's network, that performs assurance work at a VCC for purposes of a group SAE needs to comply with the provisions that apply to a client that is not a PIE *in all cases*. The same approach applies to members of the GSAT within, or engaged by, the component practitioner. (See paragraphs 5405.30B A1, 5405.31 A1, 5405.33 A1, and 5405.34 A1.)

**Q21. A component practitioner within the GSAF's network performs assurance work at a VCC for the purposes of the group SAE. Are the other network firms within the GSAF's network also required to be independent from that VCC?**

- A.** No. If a component practitioner within the GSAF's network performs assurance work at a VCC for purposes of the group SAE, the GSAF and any other network firms are *not* required to be independent from that VCC. The same approach applies to members of the GSAT within, or engaged by, the GSAF or other network firms. (See paragraphs 5405.30B A2 and 5405.33 A2.)

Please also refer to the diagram in Appendix 1.

**Q22. A component practitioner *outside* the GSAF's network performs assurance work at a VCC for the purposes of the group SAE. Are the network firms of the GSAF also required to be independent from that VCC?**

- A.** No. If a component practitioner outside the GSAF's network performs assurance work at a VCC for the purposes of the group SAE, the GSAF and its network firms are *not* required to be independent from that VCC. The same approach applies to members of the GSAT within, or engaged by, the GSAF or its network firms. (See paragraphs 5405.31 A2 and 5405.34 A2.)

Please also refer to the diagram in Appendix 1.



**Q23. A GSAF uses a component practitioner outside its network to perform assurance work at a VCC for the purposes of a group SAE. Do members of the GSAT from that component practitioner need to be independent from any entities within the GSAC, other than from the VCC?**

- A.** No. Pursuant to paragraph R5405.31, if a component practitioner outside the GSAF's network *performs* assurance work at a VCC for purposes of the group SAE, members of the GSAT within, or engaged by, that component practitioner are required to be independent from the VCC only. These individuals are not required to be independent of the GSAC or any entities within the GSAC.

Please also refer to the diagram in Appendix 1.

**Q24. What is the period during which a GSAF's or a component practitioner's independence is required when the GSAF or the component practitioner performs assurance work at a VCC for purposes of a group SAE?**

- A.** Under Section 5405, the GSAF or component practitioner is required to be independent from the VCC at which assurance work is performed in accordance with the provisions in Part 5 that apply to a firm. (See paragraphs R5405.32, R5405.33 and R5405.34.) Therefore, the GSAF or component practitioner is required to maintain independence during both the engagement period and the reporting period for the group SAE. (See paragraphs R5400.30 to R5400.30 A2)



**Q25.** There might be changes to a GSAC's value chain during the reporting period that could impact the number of value chain entities covered by the group SAE. How might the GSAF ensure its independence from all VCCs at which it intends to perform assurance work in these circumstances?

- A.** The IESSA sets out independence considerations with respect to VCCs at which assurance work is performed but not with respect to any other entities within the GSAC's value chain. This means that the independence requirements only apply to value chain entities that the GSAF has determined are VCCs for purposes of the group SAE. (See definition of VCC in the Glossary to the Code.)

As ISSA 5000 indicates, planning is a continual and iterative process throughout the engagement.<sup>17</sup> If there is a change in the GSAC's value chain during the reporting period and the GSAF determines as part of the planning process to include a new entity in the value chain as a VCC at which the GSAF will perform assurance work for purposes of the group SAE, paragraph R5405.35 requires the GSAF to follow paragraph R5400.31 with respect to the change regarding the VCC. This means that the GSAF needs to determine whether any threats to independence are created by:

- (a) Financial or business relationships with the VCC during or after the reporting period for the group SAE but before determining to perform the assurance work at the VCC; or
- (b) Previous services provided to the VCC by the GSAF.

Paragraphs 5400.31 A1-A4 provide guidance that the GSAF may adapt in applying paragraph R5400.31 with respect to the change regarding the VCC.

## Using the Work of Another Practitioner

**Q26.** In circumstances where an SAP intends to use another practitioner's assurance work relating to the sustainability information of a group component, paragraph R5406.4 requires the SAP to make that practitioner aware of the "relevant ethics, including independence, provisions" in Part 5. What does the term "relevant ethics, including independence, provisions" mean? Why does Section 5406 require such communication only in the context of assurance work relating to the sustainability information of an SAC but not a VCC?

- A.** The term "relevant ethics, including independence, provisions" in paragraph R5406.4 refers to the provisions in the ethics standards (Sections 5100-5390) and the IIS (Sections 5400-5600) in Part 5 that are applicable given the nature and circumstances of the SAE.

Given that the SAP intends to use the assurance work of another practitioner relating to a group component, which is part of the GSAC, the IESBA determined that the SAP needs to be more proactive in communicating the relevant provisions in Part 5 to the other practitioner. This is to better ensure that the other practitioner meets the independence requirements of the IESSA in order for the SAP to be able to use that practitioner's work for purposes of the SAE.

By contrast, a VCC is not part of the GSAC and might be quite far in the value chain. Therefore, the IESBA does not believe that it would be proportionate and practicable to require the SAP to communicate with another practitioner performing assurance work at a VCC. Instead, paragraph R5406.6 requires the SAP to be satisfied that the other practitioner meets the independence requirements of the IESSA with respect to the VCC in order to use that practitioner's work. Paragraph 5406.6 A1 provides guidance on how the SAP might fulfill such requirement.

<sup>17</sup> See paragraph A282 of ISSA 5000.



**Q27. An SAP intends to use the assurance work of another practitioner at a VCC. The assurance engagement that the other practitioner performed is an SAE within the scope of the IIS in Part 4B. Is the SAP still required to be satisfied that the other practitioner meets the independence requirements in Part 5 with respect to the VCC?**

- A.** Yes, as required by paragraph R5406.6, subject to the transitional provisions below. Although the SAE carried out by the other practitioner did not fall within the scope of the IIS in Part 5 and was not one for which law or regulation required the application of the IIS in Part 5<sup>18</sup> (for example, the other practitioner performed the SAE on the sustainability information of a supplier that was prepared based on a special-purpose framework), the SAP intends to use that assurance work for purposes of an SAE that is within the scope of the IIS in Part 5. Accordingly, the other practitioner needs to meet the same independence requirements that apply to that SAE in order for the SAP to be able to use that practitioner's work for purposes of the SAE.

However, the IESBA recognized that in the case of early adoption of the IESSA, the SAP might intend to use the assurance work of another practitioner that had been carried out before the effective date of the IESSA, and the other practitioner complied with Part 4B in performing that work. Therefore, as a transitional measure until the effective date of the IESSA, the IESSA provides that the SAP may treat the other practitioner's confirmation or statement of compliance with the independence requirements in Part 4B as satisfying the requirements of Section 5406 in Part 5. (See the transitional provisions provided to the IESSA.)

**Q28. If an SAP intends to use the assurance work of a network firm or another office of the SAP's firm performed for a different engagement, can the SAP apply the provisions in Section 5406 with respect to using the work of another practitioner?**

- A.** The Glossary defines another practitioner as "a firm, other than the sustainability assurance practitioner's firm." An office of a firm, even if it is different from the office of the engagement leader, is still part of the firm. Therefore, another office of the SAP's firm cannot be another practitioner.

However, there might be cases where a network firm performed assurance work at the SAC or a VCC, and the SAP was not able to be sufficiently and appropriately involved in that assurance work. If the SAP intends to use the assurance work of that network firm, that network firm would be another practitioner for purposes of the SAE.

**Q29. An SAP intends to use the assurance work of another practitioner at a VCC for purposes of an SAE. The other practitioner is not a PA but is subject to ethics and independence standards, other than the Code, issued by that practitioner's professional body. The assurance report issued by the other practitioner includes a statement of independence to the effect that the other practitioner has complied with the ethics and independence standards of the relevant professional body in performing the assurance work at the VCC. Can the SAP rely on that statement of independence to comply with the requirements in Section 5406?**

- A.** As set out in paragraph R5406.6, if the SAP intends to use the assurance work of another practitioner at a VCC, the SAP is required to be satisfied that the other practitioner *meets* the independence requirements in Part 5 that apply to a firm with respect to the VCC. Paragraph R5406.6 uses the term "meets" to mean that the other practitioner may follow independence requirements other than the IIS in Part 5 as long as these independence requirements are at least as demanding as the IIS in Part 5. Therefore, in this specific situation, the SAP will meet the requirement in paragraph R5406.6 only if the independence requirements to which the other practitioner is subject are at least as demanding as the IIS in Part 5.

The determination of whether such professional requirements, or requirements in law or regulation, are at least as demanding as the IESSA can only be made by an appropriate authority in the specific jurisdiction.<sup>19</sup> In this regard, ISSA 5000 explains that an appropriate authority could be a national standard setter, regulator, or oversight body with responsibility for audit, assurance or related relevant ethical requirements, or a designated accreditation organization recognized by a public authority.<sup>20</sup>

<sup>18</sup> See paragraph 5400.3c.

<sup>19</sup> See paragraph 34(b) of ISSA 5000.

<sup>20</sup> See paragraph A63 of ISSA 5000.



**Q30. An SAP intends to use the assurance work of another practitioner performed at (a) a group component; and (b) a VCC. Does the SAP need to be independent from the component in each case?**

- A.** The independence position for the SAP will be different between these two cases under the IESSA:
- (a) Paragraph R5405.9 requires the GSAF to be independent of the GSAC. The definition of GSAC in the Glossary includes group components at which assurance work is performed. Therefore, as a general principle, the GSAF always needs to be independent of each group component at which assurance work is performed, irrespective of who performs such work. Consequently, if the SAP intends to use the assurance work of another practitioner at a group component for purposes of a group SAE, the SAP needs to be independent from the group component.
  - (b) If the SAP intends to use the assurance work of another practitioner at a VCC for purposes of a group SAE, the SAP is not required to be independent from that VCC. The definition of GSAC does not include VCCs. See also paragraph 5406.6 A3.

**Q31. An SAP intends to use the assurance work of another practitioner performed at (a) a group component, and (b) a VCC. Does the other practitioner need to meet any independence requirements with respect to the related entities of the component in each case?**

- A.** Consideration needs to be given to the definitions of group component and VCC to determine whether related entities of the component in each case need to be scoped in for purposes of the other practitioner meeting the independence requirements under the IESSA:
- (a) If the component is a legal entity, the definition of group component in the Glossary sets out that the group component also includes any related entities within the reporting boundary over which the entity has direct or indirect control. Therefore, if the group component is a legal entity, the SAP needs to confirm that the other practitioner meets the independence requirements in Part 5 with respect to the entity and any of its controlled entities within the reporting boundary.

If the component is a business unit, function or business activity (or some combination thereof), the definition of group component in the Glossary specifies that the group component is the legal entity or entities to which the business unit belongs or in which the function or business activity is being performed. Therefore, if the group component is a business unit, function or business activity (or some combination thereof), the SAP needs to confirm that the other practitioner meets the independence requirements in Part 5 with respect to the legal entity or entities to which the business unit belongs or in which the function or business activity is being performed.

- (b) The definition of a VCC in the Glossary does not include any related entities of the component. If the VCC is a legal entity, the VCC is that entity. If the VCC is a business unit, function or business activity (or some combination thereof), the VCC is the legal entity or entities to which the business unit belongs or in which the function or business activity is being performed. Therefore, the other practitioner is not subject to any independence requirements under the IESSA with respect to any related entities of the VCC.

**Q32. An SAP intends to use the assurance work of another practitioner performed at (a) a group component, and (b) a VCC for purposes of an SAE for a client that is a PIE. Neither component is a PIE. Does the other practitioner need to meet the independence requirements in Part 5 that apply to PIEs?**

- A.** No. Based on the requirements in paragraphs R5406.5(a) (regarding a group component) and R5406.6 (regarding a VCC), if the SAP intends to use the assurance work of another practitioner performed at a group component or VCC, respectively, the SAP needs to confirm, or be satisfied, that the other practitioner meets the independence requirements of the IESSA applicable to a firm with respect to the group component or VCC, respectively. Consequently, the other practitioner needs to be independent in accordance with the independence requirements that apply to the group component or VCC.

Therefore, if the group component or VCC is not a PIE but the GSAC is a PIE, the SAP is required to confirm, or be satisfied, that the other practitioner meets the independence requirements of the IESSA that apply to a non-PIE client.

**Q33. An SAP intends to use the assurance work of another practitioner performed at the SAC. What is the period during which the other practitioner needs to be independent for the SAP's purposes?**

- A.** Paragraph R5406.5(a) requires the SAP to confirm that the other practitioner meets the independence requirements of the IESSA applicable to a firm with respect to the entity at which that practitioner performs the assurance work.

Since the other practitioner does not perform assurance work for the purposes of the SAE, the SAP needs to be satisfied that the other practitioner's independence has been maintained during the period that applies to that practitioner's engagement. Based on paragraph R5400.30, the other practitioner's independence needs to be maintained during both:

- (a) The engagement period applicable to that practitioner's engagement at the entity; and
- (b) The reporting period for the engagement carried out by that practitioner.

## Non-Assurance Services

**Q34. An SAP performs an SAE on a PIE client's report on greenhouse gas emissions. Can the SAP provide an NAS to the client concerning its sustainability goals relating to child labor in its supply chain?**

- A.** Unlike an audit engagement where the auditor expresses an opinion on the entirety of the client's financial statements, an SAP might be engaged to express an opinion on only a part of the client's sustainability information (in this case, on greenhouse gas emissions). Sustainability information that the client might prepare related to other sustainability matters (in this case, the use of child labor in its supply chain) might not be within the scope of the SAE.

A self-review threat to the SAP's independence might be created by the provision of an NAS to the client if there is a risk that the results of such a NAS will form part of or affect the sustainability information on which the SAP will express an opinion, the records underlying that information, or the internal controls over sustainability reporting (see paragraph R5600.15). If the provision of the NAS might create a self-review threat in relation to

the assurance work on the sustainability information concerning the client's greenhouse gas emissions, the SAP would be prohibited from providing the NAS under the IESSA (see paragraph R5600.17). On the other hand, if the SAP's assessment of the scope, nature and objectives of the NAS is that the NAS will not create such a self-review threat, or is not otherwise prohibited, the SAP may provide the NAS to the client.

**Q35. The IESSA addresses the provision of several types of NAS to a SAC, including tax and corporate finance services. Do SAPs usually provide these services to their SACs?**

- A.** The IESSA is applicable to all SAPs, irrespective of their background. The list of specific NAS addressed in Subsections 5601 to 5610 focuses on services that the IESBA believes SAPs may generally provide to their SACs.

While tax services are generally more relevant to financial information and accounting entries, such services can also be relevant to sustainability and, where they are, might affect the sustainability information on which the SAP will express an opinion or the records underlying that information (see paragraph 5604.2 A3). Examples of such tax services include:

- Tax calculations of current and deferred tax liabilities (or assets) where the results of those calculations might affect the sustainability information on which the SAP expresses an opinion (see paragraph 5604.8 A1). (For example, tax calculations related to government incentives, such as carbon credit schemes.)
- Tax advice on the application of a tax law or regulation relating to sustainability (see paragraph 5604.11 A1).
- A valuation service for tax purposes related to an acquisition to further the entity's sustainability strategy (see paragraph 5604.16 A1).

Similarly, providing a corporate finance service to an SAC might create a self-review threat when there is a risk that the results of the service will affect the sustainability information on which the SAP will express an opinion or the records underlying that information (see paragraph 5610.3 A1). An example of such a service is assisting the client to develop a corporate strategy to achieve a transition to a sustainability target such as a lower carbon footprint (see paragraph 5610.2 A1).

**Q36. How should an SAP assess materiality when evaluating the level of threats created by providing an NAS to an SAC?**

- A.** Section 5600 in the IESSA sets out factors to assist firms in identifying and evaluating the level of threats to independence that might be created by providing an NAS to an SAC. One such factor is the consideration of whether the outcome of the service will have a material effect on the sustainability information. (See paragraph 5600.10 A2.)

While the IESSA does not define materiality for purposes of applying the independence requirements, it sets out that the concept of materiality is addressed in the relevant reporting framework and assurance frameworks (for example, materiality as specified in the ESRS or the sustainability reporting standards issued by the ISSB). (See paragraph 5600.11 A1.)

**Q37. An SAP provides accounting and bookkeeping services to a PIE, but the SAP is not the entity's auditor. Can the SAP still perform an SAE for that entity?**

- A.** The IIS in the IESSA include accounting and bookkeeping services as an example of sustainability data and information services if those accounting and bookkeeping services might affect the sustainability information on which the SAP expresses an opinion (see paragraph 5601.3 A1).

Accordingly, if the SAP provides accounting and bookkeeping services to a PIE client that might affect the sustainability information on which the SAP expresses an opinion, these services would be prohibited under Subsection 5601. (See paragraph R5601.6.)

Even if the accounting and bookkeeping services do not relate to the sustainability information on which the SAP expresses an opinion, and is not otherwise specifically prohibited (e.g., to prevent the SAP assuming a management responsibility), the SAP is still required to apply the conceptual framework to identify, evaluate and address any threat to independence that might be created by providing those services. (See paragraph R5600.9.)

## Fees

**Q38. Section 5410 recognizes that it is in case of an SAC that is a PIE, public disclosure of fee-related information is primarily the responsibility of the SAC. However, unlike in the case of disclosure of audit and other fees by PIEs, it is currently not so common that national laws and regulations require a PIE to publicly disclose fees for sustainability assurance and other services. In such circumstances, what is expected of an SAP under the IESSA in relation to public disclosure of fee-related information?**

- A.** Irrespective of the legal or regulatory requirements for public disclosure of fee-related information by an SAC, the IESBA recognized that in the case of PIEs, it is beneficial for stakeholders to have visibility about the professional relationships between an SAP and an SAC which might reasonably be thought to be relevant to the evaluation of the SAP's independence (see paragraph 5410.29 A1). Therefore, Section 5410 sets out an equivalent approach regarding public disclosure of fee-related information with respect to an SAC that is a PIE, as in the case of an audit client that is a PIE.

If it is the client's auditor who performs the SAE, the disclosure of the fees charged for engagements other than the audit should already be addressed under Section 410.<sup>21</sup> If the SAP is not the auditor, or the PIE client does not publicly disclose the fee-related information, the IESSA requires the SAP to take steps to encourage the PIE client to disclose such information. Accordingly, in line with Section 410 in Part 4A, Section 5410 requires the SAP to discuss the following with those charged with governance (TCWG) of an SAC that is a PIE:

- (a) The benefit to the client's stakeholders of the client making such disclosures that are not required by laws and regulations in a manner deemed appropriate, taking into account the timing and accessibility of the information; and
- (b) The information that might enhance the users' understanding of the fees paid or payable and their impact on the SAP's independence. (See paragraphs R5410.30 and 5410.30 A1.)

To the extent the client does not make the relevant disclosure, Section 5410 requires the SAP to publicly disclose fee-related information of the PIE client, subject to certain exceptions. (See paragraphs R5410.31 and R5410.32.)<sup>22</sup>

<sup>21</sup> Section 410, *Fees*

<sup>22</sup> See also Q nr.10 in [Joint IAASB-IESBA Staff Publication, Frequently Asked Questions - Sustainability Assurance Engagements – ISSA 5000 and the IESBA Code](#)

**Q39. An SAP performs the audit of the financial statements and the SAE for the same client that is a PIE. How should the firm disclose the fees for such services under the Code if the client does not disclose them?**

- A.** If the SAP performs both the audit of the financial statements and the SAE, the SAP needs to consider the provisions relevant to fee disclosure in both Section 410 and Section 5410. Paragraphs R410.31(a) and R5410.31 (a) require the firm to publicly disclose the fees paid or payable to the firm and network firms for the audit of the financial statements and the SAE, respectively, to the extent that the client does not make the relevant disclosure. Therefore, the firm would need to disclose the fees for the audit of the financial statements<sup>23</sup> separately from the fees for SAE.

Regarding fees for assurance services other than the audit of the financial statements and NAS, the Code takes a principles-based approach and does not prescribe how the firm should further break down the categories of fees for services other than the audit of the financial statements.

The example below illustrates how the firm might disclose the fees for the SAE and other engagements depending on whether the firm is also the client's auditor.<sup>24</sup>

Type of Services Provided to Client		Fees	
Audit of financial statements		30,000	
SAE within the scope of Part 5		20,000	
Sustainability-related NAS		2,000	
Other assurance engagements		2,000	
Other NAS		4,000	
Fee Disclosure			
If the firm performs both the audit and the SAE (and there is no legal or regulatory requirement to disclose fee-related information)		If the firm performs only the sustainability assurance engagement	
Part 4A		Part 5	
Fee for the audit of the financial statements (Para. R410.31(a))	Fees for services other than the audit of the financial statements (Para. R410.31(b))	SAE Fee (Para.R5410.31(a))	Fees for services other than the SAE (Para.R5410.31(b))
30,000	28,000 <i>SAE fee: 20,000</i> <i>Other Assurance fee: 2,000</i> <i>NAS fee: 6,000</i>	20,000	8,000 <i>Other assurance fee: 2,000</i> <i>NAS fee: 6,000</i>

<sup>23</sup> "Audit" is a term defined in law in some jurisdictions to include only the audit of the financial statements, so in those jurisdictions it will not include other services.

<sup>24</sup> Provided that the client did not otherwise disclose the relevant fees



**Q40. Pursuant to paragraph 410.11 A2a under the consequential and conforming amendments to the Code as a result of the IESSA, an auditor does not need to consider the fee for an SAE addressed in the IIS in Part 5 for the same client when considering the threats created by the proportion of fees for services other than audit to the audit fee. What about fees for SAEs that are not within the scope of the IIS in Part 5 performed for the same client?**

- A.** In considering the proportion of fees charged by the firm or network firms to an audit client for providing services other than audit to the client relative to the audit fee, the auditor should include the fees for SAEs that are not within the scope of the IIS in Part 5 in the fees for services other than audit.

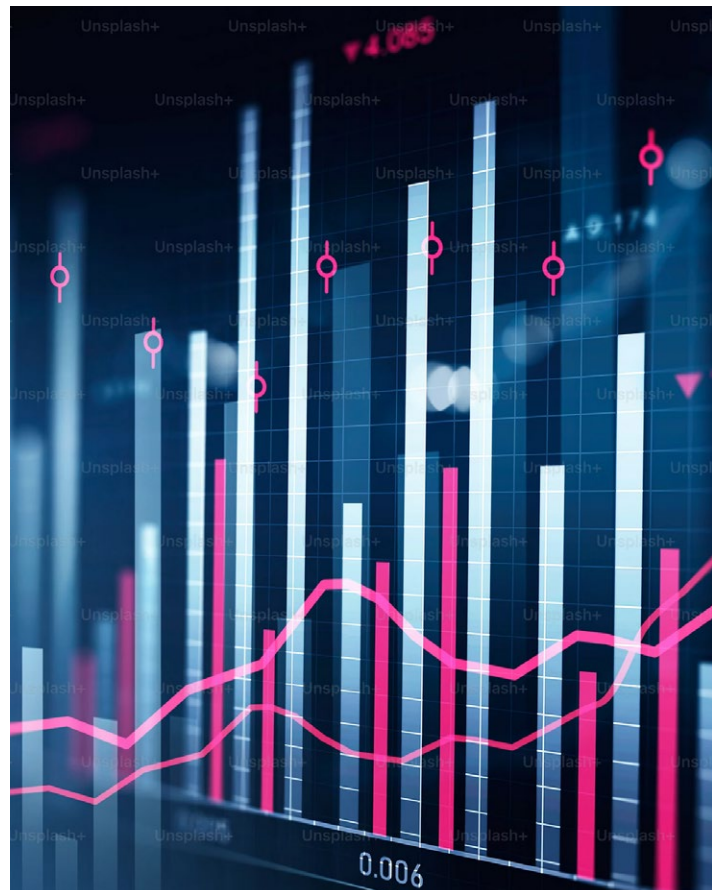
This is aligned to the approach in Section 410 in extant Part 4A, which focuses on the threats created by a large proportion of fees for services other than audit, including assurance engagements under Part 4B, to the audit fee. While SAEs within the scope of IIS in Part 5 are considered equivalent to an audit of financial statements in terms of level of public interest and, therefore, subject to equivalent independence requirements, SAEs performed in accordance with the IIS in Part 4B are not.

## Long Association

**Q41. If an individual served as the engagement partner for the audit of the financial statements of a PIE for 5 years, can this individual serve as an engagement quality reviewer for the SAE within the scope of the IIS in Part 5 for the same client?**

- A.** Yes. For purposes of addressing long association with an audit client, the IESSA treats the roles of a key audit partner and a key sustainability assurance leader (as defined in the Glossary to the Code) as equivalent. Subject to the maximum permissible “time-on” period, there is no prohibition on an individual from acting in a key audit partner role and in a key sustainability assurance leader role, simultaneously or subsequently.

The SAP needs to consider the individual's prior length of service in either or both roles in determining when the individual should cool off. Therefore, applying the 7-year time-on limit, an individual who served as the engagement partner for 5 years for the audit of the PIE's financial statements can be appointed as the engagement quality reviewer for the SAE for 2 more years. (See Section 540 in Part 4A and Section 5540 in Part 5.)



## Definitions

**Q42. Are the related entities of a client the same for purposes of an audit engagement and an SAE performed for that client?**

- A.** Yes. The determination of the related entities hinges on the concepts of control and significant influence with respect to the reporting entity. As in the context of an audit engagement, this determination does not depend on whether the sustainability information of an entity is included in the client's sustainability report for that entity to be deemed to be a related entity. (See the definition of related entity in the Glossary to the Code.)

As in the context of an audit of financial statements, interests, relationships, or circumstances between the SAP and a related entity might create threats to the SAP's independence in the context of the SAE, irrespective of whether the related entity is within the reporting entity's reporting boundary. In addition, the IESBA took the view that there would be a potential for confusion if the related entities of the reporting entity were not the same for purposes of the audit engagement and the SAE.



**Q43. What is the difference between the concept of a partner in an audit engagement and the concept of a leader in an SAE?**

- A.** The IAASB's International Standards for Auditing (ISAs) and ISSA 5000 define a partner as an "individual with authority to bind the firm with respect to the performance of a professional services engagement."

Many audit firms are partnerships. The IESBA, however, recognized that many sustainability assurance firms do not operate as partnerships. Therefore, the IESBA determined to use the neutral term "leader" in the IESSA to refer to an individual with the same role and authority as a partner in the context of an audit engagement. Consistent with the definition of a partner in ISSA 5000, the Glossary to the Code defines a "leader" as "any individual with authority to bind a firm with respect to the performance of a professional service."

The term "leader" applies to all SAPs and so is not specific to audit firms.

## Effective Date

**Q44. An SAP provided certain services to an SAC before the effective date of the IESSA. Does the SAP need to apply the provisions of the IESSA with respect to these previous services?**

- A.** No, the provisions of the IESSA do not apply retrospectively. The IESSA applies to SAEs on sustainability information for periods beginning on or after December 15, 2026. The IESBA has provided a transitional provision for NAS that the SAP has entered into with the client before that date.

Under this transitional provision, if such NAS would be prohibited under Section 5600 and its subsections but work has already commenced on them before the effective date, the SAP may continue the NAS in accordance with the original engagement terms for no more than one reporting cycle.

**Q45. With respect to a PIE client, an SAP has performed an SAE that was not within the scope of the IIS in Part 5 for 5 years before the effective date of the IESSA. Can an individual who has served as a key sustainability assurance leader continue in this role with respect to the SAE for the client if it comes within the scope of the IIS in Part 5?**

- A.** The requirements regarding "leader rotation" in Section 5540 apply where an SAP has performed an SAE on sustainability information for a period beginning prior to December 15, 2026, even if the SAE was not within the scope of the IIS in Part 5 (see transitional provisions in the IESSA). Accordingly, the SAP needs to consider the years the individual has been involved in the SAE before the effective date of the IESSA.

If the individual has served as a key sustainability assurance leader for a period of five cumulative years or less before the effective date, the number of years the individual may continue to serve the client in the capacity of a key sustainability assurance leader before rotating off the SAE is seven years less the number of years already served. As an exception, if the individual has served as a key sustainability assurance leader for a period of six or more cumulative years prior to the effective date, the individual may continue to serve in that capacity with the concurrence of TCWG for a maximum of two additional years before rotating off the SAE. (See paragraph R5540.10a.).

## INDEPENDENCE CONSIDERATIONS APPLICABLE TO ASSURANCE WORK PERFORMED AT A VALUE CHAIN COMPONENT (VCC)

Paragraphs R5405.30A to R5405.34

Who performs the assurance work at the VCC? Who needs to be independent of the VCC?	Group Sustainability Assurance Firm (GSAF)	Component Practitioner (CP) from GSAF's Network	Component Practitioner outside GSAF's Network
GSAF needs to be independent?	<b>YES</b> Paragraph R5405.32	<b>NO</b>	<b>NO</b>
Group sustainability assurance team (GSAT) members from GSAF need to be independent?	<b>YES</b> Paragraph R5405.30A	<b>NO</b>	<b>NO</b>
CP from GSAF's network needs to be independent?	<b>NO</b>	<b>YES</b> Paragraph R5405.33	<b>NO</b>
GSAT members from CP in GSAF's network need to be independent?	<b>NO</b>	<b>YES</b> Paragraph R5405.30B	<b>NO</b>
Other firms from GSAF's network need to be independent?	<b>NO</b>	<b>NO</b>	<b>NO</b>
CP outside GSAF's network need to be independent?	<b>NO</b>	<b>NO</b>	<b>YES</b> Paragraph R5405.34
GSAT members from CP outside GSAF's network need to be independent?	<b>NO</b>	<b>NO</b>	<b>YES</b> Paragraph R5405.31

## List of Acronyms and Abbreviations

<b>EFRAG</b>	European Financial Reporting Advisory Group
<b>ESRS</b>	European Sustainability Reporting Standards
<b>GAC</b>	Group audit client
<b>GSAC</b>	Group sustainability assurance client
<b>GSAF</b>	Group sustainability assurance firm
<b>GSAT</b>	Group sustainability assurance team
<b>IAASB</b>	International Auditing and Assurance Standards Board
<b>IESSA</b>	International Ethics Standards for Sustainability Assurance (including International Independence Standards)
<b>IIS</b>	International Independence Standards
<b>ISA</b>	International Standard on Auditing
<b>ISSA 5000™</b>	International Standard on Sustainability Assurance (ISSA) 5000, <i>General Requirements for Sustainability Assurance Engagements</i>
<b>ISSB</b>	International Sustainability Standards Board
<b>NAS</b>	Non-assurance service(s)
<b>NOCLAR®</b>	Non-compliance with laws and regulations™
<b>PA</b>	Professional accountant
<b>PAPP</b>	Professional accountant in public practice
<b>PIE</b>	Public interest entity
<b>SAC</b>	Sustainability assurance client
<b>SAE</b>	Sustainability assurance engagement
<b>SAP</b>	Sustainability assurance practitioner
<b>SAT</b>	Sustainability assurance team
<b>VCC</b>	Value chain component
<b>TCWG</b>	Those charged with governance



## KEY CONTACTS

**Ken Siong**, IESBA Program and Senior Director ([kensiong@ethicsboard.org](mailto:kensiong@ethicsboard.org))

**Szilvia Sramko**, IESBA Principal ([szilviasramko@ethicsboard.org](mailto:szilviasramko@ethicsboard.org))

## ABOUT THE IESBA

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