

## International Ethics Standards Board for Accountants

Explanatory Memorandum for Proposed International Ethics Standards for Sustainability Assurance (including International Independence Standards) (IESSA) and Other Revisions to the Code Relating to Sustainability Assurance and Reporting

*Comments due: May 10, 2024*

We support the efforts of the IESBA by developing projects that serve accounting professionals for the production of reports and quality assurance.

In relation to this ED, we want to express the concern of the accounting profession in Argentina, in relation to the fact that this type of assignments can be carried out by non-accounting professionals. We consider that assurance assignments are the responsibility of accounting professionals, who are best prepared to execute them, without putting the public interest at risk.

Regarding the ED, we send you the following comments:

1) There is a general concern that the standard, as written, will not be adopted uniformly (or at all) by those providers of sustainability assurance services who are not accountants.

This concern is based on the following:

a. The ED is based on reflecting the independence requirements established for an audit of financial statements. The IESBA Code of Ethics has been developed over the last 20 years based on what is relevant to audit engagements. Simply translating the concepts of Part 4A of the Code, with slight modifications, for sustainability assurance commitments may not be appropriate. The ED has not been refined enough to reflect variations in sustainability assurance engagements.

b. The complexity of some concepts and the language with which the ED is written is difficult for accountants to understand and apply; It may be much more difficult for professionals from other disciplines, who may not fully understand the relevance of such concepts for a sustainability assurance assignment, which would complicate a broader adoption of the Code.

c. The extension of the independence requirements to other professionals and specialists (value chain) on whose work the professional bases their report is a very complex issue, in a very changing and disparate area in different geographies or for different professions.

2) Independence requirements for group audits are based on the revised ISA 600. The ISSA 5000 does not have an equivalent concept to cover the group's

sustainability assurance commitments; however, independence requirements are being proposed.

3) The reference point to assurance standards is essential to understand whether the proposed independence standards are appropriate and in the public interest. A disconnect between assurance standards and independence standards could lead to inconsistent adoption of Part 5 of the Code or the choice of another independence framework that is not as robust to the Code.

4) It is important that the IESBA harmonizes with the IAASB the wording and concepts between Part 5 and ISSA 5000.

5) Given the complexities of this ED and the challenges of its potential implementation, we suggest that IESBA allow more time to analyze the text and make suggestions. This will require close coordination with the IAASB in light of the importance of aligning with the effective date of entry into force of ISSA 5000.