

12 May 2025

Chief Executive Officer
Accounting Professional & Ethical Standards Board Limited
Level 11, 99 William Street
Melbourne Victoria 3000

Via email: sub@apesb.org.au

Dear Channa,

APESB Exposure Drafts 01/25 and 02/25

Deloitte appreciates the opportunity to comment on the following Exposure Drafts issued by the Accounting Professional & Ethical Standards Board (APESB) in March 2025 (the EDs):

- 01/25 Proposed Australian Ethics Standards for Sustainability Assurance (including Independence Standards) ("the AESSA") and Other Revisions to the Code Relating to Sustainability Assurance and Reporting; and
- 02/25 Proposed Revisions to APES 110 Code of Ethics for Professional Accountants (including Independence Standards) Addressing Using the Work of an External Expert.

As a general comment, Deloitte's strong preference is that the effective date of any new standard adopted in Australia be aligned with the effective date of the corresponding international standard, to support clarity and consistency and provide sufficient time for implementation.

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

Deloitte supports the need for ethics (including independence) standards for sustainability reporting and assurance that contribute to increasing the level of trust and confidence in sustainability information. Hence, we are supportive overall of the adoption of the AESSA and the revisions proposed by the APESB in the EDs.

We also acknowledge the important role that the APESB is playing, in coordination with the Auditing and Assurance Standards Board (AUASB), to implement interoperable international assurance and ethics standards in Australia that are key in strengthening public trust in the overall sustainability reporting and assurance environment. We encourage the APESB and AUASB to continue to work collaboratively, especially in relation to aligning the effective dates and transitional provisions of the AESSA and the independence requirements contained in ASSA 5000 as well as the issuance of guidance on key issues, in order to provide clarity and support consistent implementation.

Specific Comment - Value Chain Components

The APESB proposes that the AESSA would be effective for periods beginning on or after 1 January 2026, with the value chain component provisions contained in sections 5405 and 5406 (the VCC provisions) being effective for periods beginning on or after 1 January 2027, with transitional provisions for periods beginning prior to 1 July 2028.

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We strongly urge the APESB to align the effective date of the VCC provisions in the AESSA with the effective date in the International Ethics Standards for Sustainability Assurance (“the IESSA”) issued by the International Ethics Standards Board for Accountants (periods beginning on or after 1 July 2028).

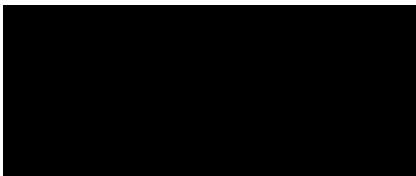
We note that, internationally, sustainability frameworks continue to adapt and change, including in the EU, and there continue to be concerns raised regarding the operability of the VCC provisions. Further, the VCC independence requirements cannot be enforced in jurisdictions that have not adopted the IESSA. On balance, there does not appear to be any value or need for Australia to be out of step with international standards through the early adoption of these provisions, which in turn may create significant implementation challenges for assurance practitioners in Australia. Aligning the effective date of the VCC provisions with those in the IESSA, also means ensuring alignment with outcomes from IESSA implementation and monitoring activities to be undertaken by IESBA in due course.

Exposure Draft 02/25 Proposed Revisions to APES 110 Code of Ethics for Professional Accountants (including Independence Standards) Addressing Using the Work of an External Expert

We are supportive of the revisions proposed by the APESB in this ED which reflects changes made by the International Ethics Standards Board for Accountants (IESBA) to the International Code.

I would be pleased to discuss our comments with members of the APESB or its staff.

Yours sincerely



Marisa Orbea
Independence & Conflicts Leader

Deloitte Touche Tohmatsu