CHAPTER 3

Regulatory updates

Clarifications on assurance of BRSR Core

In June 2023, the Securities Exchange Board of India (SEBI) amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) to introduce the BRSR Core and disclosures for a company's value chain. BRSR Core is a sub-set of the existing Business Responsibility and Sustainability Reporting (BRSR). BRSR Core is applicable from FY 2023-24 to the top 1,000 listed entities (by market capitalisation).

Subsequently, in July 2023, SEBI issued a circular to introduce the assurance requirements for BRSR Core. The circular requires the listed entity to ensure that there is no conflict of interest with the assurance providers appointed for assuring the BRSR Core. For this purpose, the circular states that potential conflict of interest could arise if an assurance provider or any of its associates sell its products or provide any non-audit/non-assurance related service including consulting services, to the listed entity or its group entities. In order to provide further clarifications with respect to the same, on 8 August 2023, SEBI issued certain Frequently Asked Questions (FAQs).

The key takeaways from the FAQs are as follows:

- **Qualification and eligibility of assurance provider:** The assurance of the BRSR Core is profession agnostic and need not necessarily be undertaken by a Chartered Accountant. However, the board of the listed entity should ensure that the assurance provider has the necessary expertise for undertaking reasonable assurance in the area of sustainability.
- **Restriction on internal auditor or statutory auditor:** The FAQs further clarify that
  - The internal auditor of the listed entity or its group entities cannot be appointed as the assurance provider
  - The statutory auditor of the listed entity would be eligible to be appointed as the assurance provider.
- **Non-permissible activities/services:** The assurance provider would be ineligible to provide assurance on BRSR Core if such an assurance provider sells its products or offers any non-audit or non-assurance services to a listed entity or its group entities, irrespective of whether the nature of the product/service is financial or non-financial.

  Further, the following activities cannot be undertaken by the assurance provider for the BRSR Core for the listed entity or its group entities:

  a. Risk management
  b. Project management
  c. Management and consulting services
  d. Investment advisory services
  e. Investment banking services
  f. Design and implementation of information systems
  g. Rendering of outsourced financial services
  h. Actuarial services
  i. Accounting and book-keeping services

  The above list is an indicative and not an exhaustive list.
- **Permissible activities/services:** Activities that are in the nature of audit/assurance such as providing third-party certifications, tax audit, system audit and tax filing, etc. could be undertaken by an assurance provider for the BRSR Core for the listed entity or its group entities. However, the listed entity should ensure that such activities do not pose any conflict of interest or compromise the independence of the assurance provider.
- **Meaning of the term 'group':** The term 'group' means the holding company, subsidiaries, associates and joint ventures of the listed entity
- **Meaning of the term 'associate' of an assurance provider:** If the assurance provider is:
  - **a. A firm or a corporate entity**: Its associate would include any of its partners, its parent, subsidiaries, associates, and any entity in which the assurance provider, its parent or partner has significant influence or control.
  - **b. A Chartered Accountant firm**: Its associates would also include all entities in the network firm/network entity of which the assurance provider is a part of.
  - **c. An individual:** Its associate would include any immediate relative (as defined in the Companies Act, 2013 (2013 Act)) of the person, and any entity in which such individual/s has significant influence or control.
- **Assurance standards:** As the circular does not mandate or recommend any specific assurance standard, the assurance provider could use a globally accepted assurance standard on sustainability/non-financial reporting such as International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. The Institute of Chartered Accountants of India (ICAI) has also issued assurance standards - Standard on Sustainability Assurance Engagements (SSAE) 3000, *Assurance Engagements on Sustainability Information* or Standard on Assurance Engagements (SAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*. It is important to note that the assurance provider should disclose the assurance standard that is used.

(Source: SEBI FAQs 'Frequently Asked Questions (FAQs) on the Business Responsibility and Sustainability Report (BRSR) Core' issued on 8 August 2023)

SEBI has issued FAQs for registration as an ESG Rating Provider (ERP)

In July 2023, SEBI amended the SEBI (Credit Rating Agencies) Regulations, 1999 (CRA Regulations), thereby introducing Chapter VIA on ERPs. These regulations would be applicable to a person which is engaged in, or proposes to engage in, the business of issuing ESG ratings.

On 9 August 2023, SEBI issued FAQs on registration of an ERP. Some of the important points are as follows: .

- **Eligibility criteria**: As per Regulation 28E of the CRA Regulations prescribes the eligibility criteria. As per the regulation, the applicant should:
  - be a company incorporated under the 2013 Act
  - have a net worth as stated in the CRA Regulations
  - specify ESG rating activity as the main object in its Memorandum of Association (MOA)
  - not be a credit rating agency or any other intermediary registered with SEBI
  - have necessary infrastructure including adequate office space, technology, equipment and manpower, to enable it to provide ESG rating services. Further, the applicant and its promoter(s) should be fit and proper person(s) as per Schedule II of the SEBI (Intermediaries) Regulations, 2008.
  - be a subsidiary of an intermediary registered with the SEBI or of an ERP incorporated in a Financial Action Task Force (FATF) member jurisdiction and recognised under their respective law having a minimum experience of five years in ESG rating of securities or companies. It should be noted that this requirement is not applicable for a Category II ESG rating provider applicant.
- **SEBI registration:** Any person intending to undertake business as an ERP should make an application to SEBI for grant of a certificate. This provision is also applicable for a person acting as an ERP on date of the regulations coming into force. The Fourth Schedule to the CRA Regulations lays down the criteria for applicability of the CRA Regulations for an ERP functioning in India.
- **Application requirements for registration:** Regulation 28D of the CRA Regulations lays down the provisions for making application for grant of registration certificate. The application should be made to SEBI in the format along with the documents as prescribed in the Fifth Schedule of the CRA Regulations. This should be accompanied with the non–refundable fees to be paid as stipulated in the Sixth Schedule of the CRA Regulations. The hardcopy of the application should be addressed to 'Chief General Manager, Department of Debt and Hybrid Securities, SEBI' and the soft copy should be sent via email to erp@sebi.gov.in.
- **Categories of ERPs seeking registration:** An application for the grant of a certificate to act as an ERP could be made in any one of the following categories, namely:
  a. Category I; or
  b. Category II.

- **Difference between Category I and Category II:** The regulatory requirements and certain eligibility criteria specified in the CRA Regulations are different for an ERP under Category I and Category II are different. The following are a few key differentiating factors:

Particulars	Category I ERP	Category II ERP
Nature of activity	Can undertake certification of green debt securities	Cannot undertake certification of green debt securities.
Office infrastructure	Mandatory to have necessary infrastructure including adequate office space, technology, equipment and manpower.	This requirement is not mandatory provided it conducts its operations remotely subject to a declaration by it to this effect
SEBI registration or from FATF jurisdiction	Should be a subsidiary of an intermediary registered with the SEBI or of an ERP incorporated in a FATF member jurisdiction and recognised under their respective law having a minimum experience of five years in ESG rating of securities or companies	-
Promoter requirement	a. Promoter should be a person regulated by specified financial sector regulators or a foreign ERP or body corporate with continuous net worth of minimum INR100 crore. b. Promoter should maintain a minimum shareholding of 26 per cent in the ERP for a minimum period of five years from the date of grant of registration	-
Net worth requirement	Minimum liquid net worth of INR5 crore at all times	Minimum liquid net worth of INR10 lakh at all times.
Experience	The applicant should have at least four employees specialised across the specified areas, at all times	The applicant should have at least two employees specialised across the specified areas, at all times

- **Failure to meet the meet the targets specified in the business plan or failure to meet any of the registration conditions:** Regulation 28H of the CRA Regulations prescribes the conditions of grant of a certificate of registration. Further, ERPs should meet the targets declared at the time of its application to the SEBI within the specified time. In case of any contravention, the ERP would be liable for one or more actions specified in the SEBI Act, 1992 or Regulations including the action stipulated under Chapter V of the SEBI (Intermediaries) Regulations, 2008.
- **Change in control of ERPs:** In case any change in control of the ERP is proposed, prior approval of SEBI should be obtained for continuing to act as such after the change. This prior approval would be valid for a period of six months from the date of such approval within which the applicant should file application for fresh registration pursuant to change in control. The master circular[1] issued on 12 July 2023 prescribes the requirements for making the application for obtaining a prior approval. The said circular also lays down the requirements for seeking approval for a proposed change in control of an ERP wherein there is a scheme(s) of arrangement which needs to be sanctioned by the National Company Law Tribunal (NCLT) in terms of the provisions of the 2013 Act.

(Source: SEBI FAQs' FAQs - Registration as an ESG Rating Provider (ERP)' issued on 9 August 2023)

1. Master circular no. SEBI/HO/DDHS/POD2/P/CIR/2023/121 dated 12 July 2023

Updates relating to Corporate Debt Market Development Fund (CDMDF)

In June 2023, SEBI amended the SEBI (Alternative Investment Funds) Regulations, 2012 in order to constitute the CDMDF. CDMDF is a new category of Alternate Investment Funds (AIFs).

The CDMDF would act as a backstop facility for purchase of investment grade corporate debt securities with an aim to promote confidence amongst the participants in the corporate debt market during times of stress. It would also enhance secondary market liquidity by creating a permanent institutional framework for activation in times of market stress. CDMDF would be launched as a close ended scheme with an initial tenure of 15 years (extendable) from the date of its initial closing (i.e. date on which contribution from all AMCs and specified schemes is received by CDMDF).

Subsequently, through a notification on 26 July 2023, the Ministry of Finance issued Guarantee Scheme for Corporate Debt (GSCD). The GSCD would provide guarantee cover against the debt raised/to be raised by CDMDF. This notification provides the objective and requirements of GSDC and the framework for CDMDF. Accordingly, CDMDF should comply with the GSCD.

In addition to this, on 27 July 2023, SEBI issued the framework for CDMDF and also prescribed the criteria for investment by Mutual Fund (MF) Schemes and Asset Management Companies (AMCs) in units of CDMDF.

Some of the important points to consider for SEBI's circular are as follows:

I. Framework for CDMDF

- **Type of securities:** CDMDF should deal only in following securities during normal times:
  a. Low duration Government Securities (G-sec)
  b. Treasury bills
  c. Tri-party repo on G-sec
  d. Guaranteed corporate bond repo with maturity not exceeding seven days
- **Money market instruments:** The corporate debt securities bought during market dislocation should include money market instruments. The long-term rating of issuers would be considered for money market instruments. If long-term rating is not available, then CDMDF should consider the credit rating mapping of Credit Rating Agencies (CRAs) between short-term and long-term ratings.
- **Fair pricing document:** CDMDF should follow the fair pricing document while purchasing corporate debt securities during market dislocation. The fair pricing document is included in Annexure A to the circular.
- **Loss waterfall accounting:** CDMDF should follow the loss waterfall accounting, prescribed in Annexure B to the circular, for reflection of waterfall in the Net Asset Value (NAV) of units of CDMDF.
- **Time period for disclosure of NAV:** CDMDF is required to disclose NAV of the fund by 9:30 pm on all business days on website of its investment manager and Association of Mutual Funds in India (AMFI) and by 11:00 pm when there is exposure to corporate debt.

II. Investment criteria for MF Schemes and AMCs in units of CDMDF

- **Subscription of units of CDMDF:** AMCs of MFs and 'specified debt-oriented MF Schemes' are eligible to subscribe to the units of CDMDF. For this purpose 'specified debt-oriented MF Schemes' means open ended debt oriented MF Schemes excluding overnight funds and gilt funds and including conservative hybrid funds.

  These contributions, including any appreciations on the same, would be locked-in till the winding up of the CDMDF.
- **Contribution by MFs:** Specified debt-oriented MF Schemes, including new schemes from existing MFs under the specified categories or such schemes of new MFs, should invest 25 bps of their Assets Under Management (AUM). Specified MF schemes should provide additional incremental contribution as their AUM increases. They must ensure that every six months, 25 bps of scheme AUM is invested in units of CDMDF. In case the AUM decreases, there would not be any return or redemption from CDMDF.
- **Contribution by AMCs:** AMCs, including AMCs of new Mutual Funds, should make a one-time contribution equivalent to 2 bps of the AUM of specified debt-oriented MF Schemes managed by them.
- **Basis of AUM for initial contribution:** The initial contribution should be based on AUM of the specified MF schemes as on 31 December 2022.
- **Time limit for initial contribution:** The initial contribution is to be made within 10 working days of request from CDMDF. The half-yearly contributions would start from December 2023 onwards. In case of any delay, the respective AMCs would be liable to pay interest at 15 per cent per annum for the period of delay.

- **Market dislocation:** In case of market dislocation, CDMDF should purchase listed corporate debt securities from the specified debt-oriented MF schemes. For this purpose, corporate debt securities include listed money market instruments.

  The securities purchased by CDMDF during market dislocation should be from secondary market which would have an investment grade credit rating and residual maturity of not exceeding five years on the date of purchase. This purchase should be made at a fair price (adjusted for liquidity risk, interest rate risk and credit risk) and not at distress price. Further, CDMDF should not buy any unlisted or below investment grade or defaulted debt securities or securities in respect of which there is a material possibility of default or adverse credit news or views.

- **Payment to sellers of debt securities:** The sellers of debt securities should be paid 90 per cent of the consideration in cash and 10 per cent in terms of units of CDMDF which would bear the risk of first loss, if any to CDMDF. Such units can be redeemed during the tenure of scheme subject to certain conditions.

- **Other key considerations for MF Schemes**: Some of the additional considerations for MF Schemes are as follows:
  - The corporate debt securities sold by MF schemes to CDMDF during market dislocation should be treated as trade executed on Request for Quote (RFQ) platform.
  - The CDMDF should not be considered as an 'associate' of any MF
  - The calculations of Potential Risk Class (PRC) Matrix, risk-o-meter, stress testing and duration for various purposes should be done after excluding investments in units of CDMDF.

(Source: Ministry of Finance, Department of Economic Affairs, notification no. G.S.R. 559(E) issued on 26 July 2023 and SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/128 and circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/129 dated 27 July 2023)

Reduction of timeline for listing of shares in public issue

SEBI has reduced the timelines for listing of specified securities in a public issue through a circular issued on 9 August 2023. As per the circular, the specified securities should be listed after the closure of public issue within three working days (T+3 days) *(earlier it was within six working days (T+6 days))*[2] . Accordingly, the timelines for various activities involved in the public issue process have also been revised. The same has been stipulated in the annexure to the circular.

The timelines for submission of application, allotment of securities, unblocking of application monies and listing should be prominent in the pre-issue, issue opening and issue closing advertisements issued by the issuer for public issues in terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (ICDR Regulations).

The provisions of this circular should be applicable as follows:

- On voluntary basis for public issues opening on or after 1 September 2023 and
- Mandatory for public issues opening on or after 1 December 2023

(Sources: SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated 9 August 2023)

2. 'T' is issue closing date.

Consultation paper on review of framework for borrowings by Large Corporates (LCs)

As per the SEBI (Issue and Listing of Non-convertible Securities) Regulations, 2021 (NCS Regulations), LCs are required to raise at least 25 per cent of their incremental borrowings during a Financial Year (FY) by issuing debt securities which has to be met over a contiguous block of three years from Financial Year (FY) 2021-22 onwards. However, SEBI received representations from many stakeholders with respect to the implementation of the provisions for LCs. Thus, a consultation paper was issued on 10 August 2023.

The key proposals are as follows:

- **Increase in the threshold of outstanding long-term borrowings**: As per the existing provisions, for the purpose of identifying an entity as LC, the threshold for the criteria of outstanding long term borrowings is INR100 crore or above. It has been proposed to increase this limit to INR500 crore or above which is also in accordance with the threshold for high value debt listed entity. This would also lead to uniformity in the Regulations.
- **Expansion in definition of outstanding long-term borrowings and incremental borrowings:** As per the current regulatory provision, the term 'outstanding long-term borrowings' and 'incremental borrowings' excludes external commercial borrowings and inter-corporate borrowings between a parent and subsidiaries.

  In addition to these exclusions, the following are also proposed to be excluded:

  a. Inter-corporate borrowings between its holding company and/or subsidiary and/or associate companies;

  b. Grants, deposits or any other funds received as per the guidelines or directions of Government of India; and

  c. Borrowings arising on account of interest capitalisation
- **Removal of requirement of credit rating:** As per existing provisions, for identifying an entity as a LC, such an entity should have a credit rating of AA and above. It has been proposed to remove this criterion.
- **Removal of provision for penalty in the event of non-compliance:** The current provisions state that in case of a shortfall in the requisite borrowing, a monetary penalty/fine of 0.2 per cent of the shortfall in the borrowed amount is levied and payable. It has been proposed to remove this provision. Further, it has been proposed that in case of a shortfall or surplus, additional or lower contribution should be made respectively to the core Settlement Guarantee Fund[3] (SGF) of the Limited Purpose Clearing Corporation (LPCC).

  Accordingly, the consultation paper has proposed incentives for achieving surplus in the actual borrowings when compared to specified level of borrowings and disincentive in the form of additional contribution to the core SGF in case of shortfall in the actual borrowings when compared to specified level of borrowings.
- **Removal of block of three years:** The extant regulatory provisions state that from FY2022 onwards, the requirement of mandatory borrowing in a FY has to be met over a contiguous block of three years. In order to ease and simplify the process of computing specified level of borrowing of 25 percent, it has been proposed that the requirement of specified level of borrowing should be made applicable on an annual basis.

The comment period on the above consultation paper is open until 31 August 2023.

(Source: SEBI consultation paper on 'Consultation paper on review of framework for borrowings by Large Corporates' under Reports for Public Comments section issued on 10 August 2023)

3. SEBI circular 'Contribution by eligible Issuers of debt securities to the Settlement Guarantee Fund of the Limited Purpose Clearing Corporation for repo transactions in debt securities' dated 13 April 2023

Exposure drafts issued by ICAI

I. Exposure draft for International Tax Reform—Pillar Two Model Rules

In May 2023, the International Accounting Standards Board (IASB) issued amendments to IAS 12, *Income Taxes* in order address the uncertainty over the accounting for deferred taxes arising from the implementation of the Global Anti Base Erosion Rules (GloBE) i.e. Pillar Two model rules.

In this regard, the Institute of Chartered Accountants of India (ICAI) had issued exposure drafts to amend Ind AS 12, *Income Taxes* and AS 22, *Accounting for Taxes* on Income with respect to the International Tax Reform—Pillar Two Model Rules.

The key amendments proposed are as follows:

- **Extension of scope:** The scope of applicability of the standards has been extended to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes described in those rules.

  Further, as an exception to the requirements in the respective standards, an entity should neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. However, the entity would be required to disclose the fact that it has applied this exception. The proposed exception would be effective immediately upon issuance of the amendments and retrospectively in accordance with Ind AS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

- **Disclosure requirements:** The exposure draft specifies certain disclosure requirements with respect to top-up taxes. The entity would be required to separately disclose its current tax expense (income) related to Pillar Two income taxes.

  In case the Pillar Two legislation is enacted or substantively enacted but not yet in effect, the entity would need to disclose the known or reasonably estimable information that helps users of financial statements understand the entity's exposure to Pillar Two income taxes. In such scenarios, disclosure of qualitative and quantitative information should be made at the end of the reporting period.

These would be effective for the annual reporting periods beginning on or after 1 April 2023. However, an entity is not required to disclose the abovementioned information for interim periods ending on or before 31 March 2024.

II. Exposure draft of supplier finance arrangements

With an aim to enhance the transparency of supplier finance arrangements, in May 2023, IASB issued amendments to IAS 7, *Statement of Cash Flows* and IFRS 7, *Financial Instruments: Disclosures*.

In this regard, the ICAI has issued an exposure draft to amend Ind AS 7, *Statement of Cash Flows* and Ind AS 107, *Financial Instruments: Disclosures* for supplier finance arrangements.

The key amendments proposed are as follows:

- **What are supplier finance arrangements:** In supplier finance arrangements, one or more finance providers offer to pay amounts which an entity owes to its suppliers. Further the entity agrees to pay the same according to the terms and conditions of the arrangements at the same date as or at a date later than the date on which suppliers are paid. Such arrangements provide extended payment terms to the entity or the entity's suppliers are paid early before the invoice payment due date. Supplier finance arrangements are often referred to as supply chain finance, payables finance or reverse factoring arrangements.

- **Disclosure requirements:** Disclosure of supplier finance arrangements should be made to enable the users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk. For this purpose the following should be disclosed:
  a. The terms and conditions of the arrangement
  b. At the beginning and end of the reporting period, disclosure should be made of:
     i. The carrying amounts of supplier finance arrangement breaking out the amounts for which the suppliers have already received payment from the finance providers, and stating where the liabilities exist on the balance sheet;
     ii. The range of payment due dates for the liabilities that are part of the arrangement and comparable trade payables that are not part of such arrangements.
  c. The type and effect of non-cash changes in the carrying amounts of the financial liabilities that are a part of the arrangement.

  The amendments have also added supplier finance arrangements as an example to the existing disclosure requirements in Ind AS 107 wherein the entity has accessed or has access to, facilities under supplier finance arrangements that provide the entity with extended payment terms or the entity's suppliers with early payment terms.
- **Effective date:** The amendments proposed to be applicable from annual reporting periods beginning on or after 1 April 2024.

The comment period for the above-mentioned exposure drafts ended on 25 August 2023.

(Source: ICAI announcement dated 25 July 2023)

IASB issued amendments to IAS 21, *The Effects of Changes in Foreign Exchange Rates*

As per IAS 21, a company uses a spot exchange rate to report foreign currency transactions or a foreign operation's results and financial position in its financial statements. A spot exchange rate is the exchange rate for immediate delivery. As per the present principles of IAS 21, it specifies the exchange rate to be used in reporting foreign currency transactions when exchangeability between two currencies is temporarily lacking. However, the standard does not provide guidance when the lack of exchangeability is not temporary.

In this regard, on 15 August 2023, the International Accounting Standards Board (IASB) issued amendments to IAS 21 which would require companies to provide more useful information in their financial statements when a currency cannot be exchanged into another currency.

The key takeaways from the amendment are as follows:

- **Two-step approach**: The amendment stipulates a two-step approach to assessing whether a currency is exchangeable and estimating the spot exchange rate when it is not exchangeable:
  a. **Assessing the exchangeability between two currencies:** A currency is exchangeable into another currency when a company is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. A company assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. Accordingly, if a company is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency for that purpose.
  b. **Estimating the spot exchange rate when the currency is not exchangeable:** The objective to estimate the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic circumstances. For this purpose, a company could use:
     – an observable exchange rate without adjustment if that rate meets the estimation objective or
     – another estimation technique wherein the

company uses an observable rate and adjusts that rate as necessary to meet the estimation objective.

- **Disclosure requirements:** The amendment requires a company to provide the disclosure objective i.e. to disclose information that enables users of financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, a company's financial performance, financial position and cash flows. The company would also disclose the information specified in the requirements and any additional information necessary to meet the disclosure objective. It is important to note that a company need not duplicate information that it has provided elsewhere in its financial statements
- **Effective date:** The amendment is effective for annual reporting periods beginning on or after 1 January 2025.

(Source: IASB news article 'IASB sets out accounting requirements for when a currency is not exchangeable' dated 15 August 2023)

IAASB has issued exposure draft on global sustainability assurance standard ISSA5000

The International Auditing and Assurance Standards Board (IAASB) issued proposed International Standard on Sustainability Assurance (ISSA) 5000, *General Requirements for Sustainability Assurance Engagements*. This standard deals with assurance engagements on sustainability information.

ISSA5000 is profession agnostic i.e. it could be used by both professional accountant and non-accountant assurance practitioners when performing high quality sustainability assurance engagements. Further, this standard deals with both, reasonable and limited assurance engagements across any sustainability topic. The practitioner should express a conclusion on the sustainability information through a written report and describe the basis for the conclusion.

As this standard includes requirements and application material of all elements of a sustainability assurance engagement, the practitioner is not required to apply ISAE 3000 (Revised)[4] when performing the engagement. ISSA5000 applies to all assurance engagements on sustainability information, except when the practitioner is providing a separate conclusion on a greenhouse gas (GHG) statement, in which case ISAE 3410[5] applies.

The last date to provide comments on the exposure draft is 1 December 2023.

(Source: IAASB news 'IAASB launches public consultation on landmark proposed global sustainability assurance standard' dated 2 August 2023)

4. International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*
5. ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*