

ISAE 3410¹ Withdrawal – Issues Paper

Objective of the IAASB Discussion

The objective of this session is for the IAASB to approve the withdrawal of ISAE 3410 as an international pronouncement, in accordance with the IAASB's due process, with such withdrawal to take effect when International Standard on Sustainability Assurance (ISSA)TM 5000, *General Requirements for Sustainability Assurance Engagements* becomes effective.

A. Background

ISAE 3410

1. The IAASB approved ISAE 3410 in March 2012, effective for assurance reports on greenhouse gas (GHG) statements covering periods ending on or after September 30, 2013. The development and issuance of ISAE 3410 was in response to calls to develop an assurance standard specifically addressing assurance reports on GHG statements (which is a statement setting out the constituent elements and quantification of an entity's GHG emissions, including carbon emissions).
2. ISAE 3410 also requires compliance with ISAE 3000 (Revised).² Paragraph 9 of ISAE 3410 explains that ISAE 3410 supplements, but does not replace, ISAE 3000 (Revised), and expands on how ISAE 3000 (Revised) is to be applied in an assurance engagement to report on an entity's GHG statement.
3. ISAE 3000 (Revised) is the “umbrella” assurance standard that addresses all assurance engagements (both reasonable and limited assurance) other than audits or reviews of historical financial information (which are dealt with in International Standards on Auditing (ISAs) and International Standards on Review Engagements (ISREs), or assurance engagements on sustainability information (which are dealt with in the ISSAs – see the background on ISSA 5000 below).

ISSA 5000

4. The IAASB approved ISSA 5000 in September 2024, effective for assurance engagements on sustainability information reported for periods beginning on or after December 15, 2026 or as at a specific date on or after December 15, 2026.
5. ISSA 5000 applies to all assurance engagements on sustainability information. It also applies to all types of sustainability information, including information about GHG emissions, regardless of how that information is presented. See ISSA 5000, paragraph 8.
6. ISSA 5000 is an overarching standard that includes requirements and application material for all elements of a sustainability assurance engagement. Accordingly, the practitioner is not required to apply ISAE 3000 (Revised) when performing a sustainability assurance engagement (ISSA 5000, paragraph 11).

¹ International Standard on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*

² ISAE 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*

B. IAASB Decision to Propose Withdrawal of ISAE 3410

7. The Exposure Draft for ISSA 5000 ([ED-5000](#)) indicated that the proposed standard applied to all assurance engagements on sustainability information, except when the practitioner is providing a separate conclusion on a GHG statement, in which case ISAE 3410 applied. In developing ED-5000, the IAASB noted the need for a clear and straightforward approach regarding the relationship with ISAE 3410, recognizing that in many cases a GHG statement may be included with other sustainability information, and the practitioner may or may not be providing a separate conclusion on the GHG statement.
8. As explained in Agenda Item 3-A for the IAASB's [March 2024 meeting](#), respondents to ED-5000 across all stakeholder groups indicated that additional clarity was needed about the scope and applicability of ED-5000, particularly when the sustainability information includes GHG information that does not comprise a "GHG statement." It was noted that matters related to climate, including GHG emissions, are a topic that may be covered as part of the sustainability information reported. Therefore, information about GHG emissions is sustainability information. The IAASB also discussed that, based on current sustainability reporting practices and the requirements of sustainability reporting frameworks, GHG emissions information would meet the definition of a "GHG statement."
9. The IAASB also discussed respondent comments that a limited assurance engagement on a GHG statement under ISAE 3410 requires a different level of work effort than under ED-5000 due to differing approaches to risk assessment. ISAE 3410 focuses on identifying and assessing risks at the GHG statement level and for material types of emissions and disclosures, while ED-5000 required practitioners to design and perform risk procedures to identify disclosures where material misstatements are likely to arise. The Board was of the view that the differences between the two standards would be further narrowed if proposed ISSA 5000 followed the same approach to risk assessment for limited assurance engagements as ISAE 3410.
10. In view of the above, the IAASB agreed that the simplest approach would be for ISSA 5000 to apply to all assurance engagements on sustainability information (including greenhouse gas-related information, regardless of form). As a result of this decision, the IAASB agreed that ISAE 3410 could be withdrawn in accordance with due process (i.e., propose that ISAE 3410 be withdrawn once ISSA 5000 becomes effective). The decision to propose withdrawal of ISAE 3410 is also discussed in Section D of the ISSA 5000 [Basis for Conclusions](#).
11. To support the proposed withdrawal, the IAASB reassessed the requirements of ISAE 3410 and concluded that they were appropriately addressed in ISSA 5000. Agenda Item 3-A.1 for the [March 2024 meeting](#) provided a high-level comparison of the introductory paragraphs, definitions and requirements in ISAE 3410 with the requirements in proposed ISSA 5000. This comparison was updated and presented as a supplemental paper (Agenda Item 2-G) for the IAASB's [September 2024 meeting](#). The comparison is also presented as a supplemental paper to this Agenda Item (see **Agenda Item 8-A (Supplemental)**) and has been updated only to reflect the final paragraph numbers in ISSA 5000 as issued and to provide limited additional explanation to further enhance the comparison.

Jurisdictional Considerations Related to Proposed Withdrawal of ISAE 3410

12. The IAASB considered whether the proposed withdrawal of ISAE 3410 may have unforeseen implications, e.g., if law or regulation in any jurisdictions required ISAE 3410 to be used for assurance

on GHG statements. Staff is not aware of any such jurisdictional issues or concerns. From the time that the IAASB first discussed the possibility of withdrawal of ISAE 3410 in March 2024 until now, no concerns have been raised by stakeholders in outreach meetings or other communications.

13. Staff notes that there likely would be no issue if law or regulation required the use a jurisdiction-specific version of ISAE 3410 (i.e., such jurisdictional-equivalent standard could continue to be used for assurance on GHG statements even after the IAASB's withdrawal of ISAE 3410). It was further noted that the withdrawal of ISAE 3410 would not take effect until the effective date of ISSA 5000, so jurisdictions may have flexibility to address any issues or concerns (e.g., by requiring the use of ISSA 5000 for assurance on GHG statements, or by delaying the effective date of ISSA 5000 in the jurisdiction to enable law or regulation to be amended to reflect the use of ISSA 5000 or a jurisdictional-equivalent standard for sustainability assurance engagements).

C. Due Process Considerations for Withdrawal of ISAE 3410

14. The IAASB's due process in effect at March 2024³ requires the Board to vote on the withdrawal of an international pronouncement, whether that withdrawal is due to the issue of a new or revised international pronouncement that incorporates or covers the subject matter of the existing international pronouncement or any other reason, in accordance with the IAASB's terms of reference.³
15. Under the current terms of reference,³ withdrawal of a standard requires approval by two thirds of the Board members (11 of 16).
16. As discussed in **Section B**, the development and issuance of ISSA 5000 is the driver for the proposal to withdraw ISAE 3410. The Explanatory Memorandum to ED-5000 included a specific question about the clarity of the scope and applicability of ED-5000, including when ISAE 3410 should be applied rather than ED-5000. Comments from respondents to ED-5000, as well as feedback from outreach activities that were undertaken as part of the Sustainability Assurance project, were addressed by the Sustainability Assurance Task Force (SATF). The significant matters that the SATF identified through its deliberations with respect to this issue have been reflected in the agenda materials presented to the IAASB at its meetings in March 2024 ([Agenda Item 3](#)), June 2024 ([Agenda Item 2](#)) and September 2024 ([Agenda Item 2](#)), and are summarized in this issues paper. IAASB Staff is of the view there are no significant matters in relation to the withdrawal of ISAE 3410 that have not been brought to the IAASB's attention.
17. The following qualitative standard-setting characteristics of the Public Interest Framework (PIF)⁴ are of most relevance in considering the withdrawal of ISAE 3410:
 - *Consistency* – The development of ISSA 5000, including its scope and applicability, that resulted in the reconsideration of the continued relevance of ISAE 3410, was based on the IAASB's strategic decision to undertake a Sustainability Assurance project, consistent with its assessment of relevant public interest and stakeholder needs.

³ See "Quick Links" on the homepage of the [IAASB website](#).

⁴ See the Monitoring Group report [Strengthening the International Audit and Ethics Standard-Setting System](#) (pages 22–23 of the PIF's section on "What qualitative characteristics should the standards exhibit?").

- *Coherence* – The withdrawal of ISAE 3410 will contribute to the coherence of the overall body of the IAASB’s standards in that it removes any conflict with respect to which standard(s) applies to an assurance engagement on sustainability information, which includes information on matters related to climate, such as GHG emissions.
- *Timeliness* – The withdrawal of ISAE 3410 is timely and coincides with addressing the identified needs of stakeholders for an overarching global baseline standard that applies to all assurance engagements on sustainability information, regardless of how that information is presented.
- *Relevance* – The withdrawal of ISAE 3410 is relevant and responsive to the evolving sustainability reporting and assurance landscape globally in that ISSA 5000 now effectively incorporates or covers the subject matter of ISAE 3410.
- *Enforceability* – Because the withdrawal of ISAE 3410 removes any conflict that may have existed in terms of which standard(s) applies to an assurance engagement on sustainability information, the responsibilities of assurance practitioners are clear, as is the monitoring of whether assurance practitioners have appropriately discharged their responsibilities.

Matter for IAASB Consideration:

The Board is asked to approve the withdrawal of ISAE 3410 as an international pronouncement of the IAASB, with effect from the effective date of ISSA 5000.