



An Roinn Fiontar,  
Trádála agus Fostaíochta  
Department of Enterprise,  
Trade and Employment

# Public Consultation on the Corporate Sustainability Reporting Directive

Member State Options in the transposition of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting

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The Department of Enterprise, Trade and Employment is seeking the views of stakeholders on the transposition of the Corporate Sustainability Reporting Directive<sup>1</sup> into Irish law.

Views from stakeholders and interested parties are requested no later than 5pm on Thursday, **9<sup>th</sup> March 2023**. Submissions should be marked Corporate Sustainability Reporting Directive and should be emailed to [CSRD@enterprise.gov.ie](mailto:CSRD@enterprise.gov.ie). Further queries can also be made to that email address.

The responses to the consultation will help inform the work to be undertaken by the Department on the transposition of the directive.

### 1. Background

The Corporate Sustainability Reporting Directive (CSRD) arises from the European Green Deal's climate change action objectives, to further enhance the disclosure by companies on climate and environmental data. The proposal for a directive was published in April 2021 and following negotiations by the European Council and the European Parliament,

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<sup>1</sup> [EUR-Lex - 32022L2464 - EN - EUR-Lex \(europa.eu\)](#)

the agreed directive was published in the EU's official journal on the 16<sup>th</sup> of December 2022.

It expands the scope of the existing rules for non-financial reporting by very large companies and public-interest entities<sup>2</sup> to large companies, large public-interest entities, and listed SMEs (excluding micros) on a main EU stock market. It introduces mandatory reporting standards developed by EFRAG (European Financial Reporting Advisory Group) which will be adopted by the EU Commission by way of a delegated procedure. The first standards shall be adopted at the latest by June 2023.

Companies in scope will be required to report annually in their management/directors' report on environmental, social and governance (ESG) and human rights matters according to the EU mandatory standards to be known as the European Sustainability Reporting Standards<sup>3</sup>. Sustainability information will be subject to a limited assurance (audit) until the adoption of reasonable assurance standards by the Commission.

Ireland and other Member States now have 18 months to transpose the Directive i.e., July 2024<sup>4</sup>, with a view to mandatory requirements commencing for financial years on or after:

- 1<sup>st</sup> January 2024 for companies and public interest entities in scope of the existing rules (greater than 500 employees)<sup>5</sup>;
- 1<sup>st</sup> January 2025 for other large companies and public interest entities (greater than 250 employees); and

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<sup>2</sup> Banks, Insurance undertakings, companies listed on a main market in the EU

<sup>3</sup> [First Set of draft ESRS - EFRAG](#)

<sup>4</sup> Measures implementing Article 3 and 4 of the directive must be in place by 1 January 2024

<sup>5</sup> Only undertakings already reporting under NFRD. Under Ireland's rules these are 'ineligible entities' in the Companies Act 2014 - [S.I. No. 360/2017 - European Union \(Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups\) Regulations 2017. \(irishstatutebook.ie\)](#).

- 1<sup>st</sup> January 2026 for listed SMEs, with an ‘opt out’ possible until 2028.
- 1 January 2028 for subsidiary undertakings and branches of non-EU companies

## 2. Member State Options

The Department requests the views of interested parties with regard to the Member State options set out in Appendix I. It is not consulting on the balance of the Directive, which has direct effect/mandatory applicability and Member States have no discretion in this regard. However, your comments and questions on all aspects of the Directive are also requested to inform the Department’s work on the transposition and future policy developments in the area.

## 3. Consultation Responses

Stakeholder views are welcomed from all interested parties, including companies in scope, non-governmental organisations, the research community and beyond. We ask that respondents structure their responses according to the Member State Options outlined, responding to one or more of them as appropriate. Respondents are also encouraged to provide any other views they may have on the transposition process or directive in general.

## 4. Information on Consultation Process

### **Freedom of Information Act 2014 and Publication of Submissions**

The Department will make public on its website all submissions received under this consultation. Your attention is also drawn to the fact that information provided to the Department may be disclosed in response to a request under the *Freedom of Information Act 2014*. Therefore, should you consider that any information you provide is commercially sensitive, please identify same, and specify the reason for its sensitivity. The

Department will consult with you regarding information identified by you as sensitive before publishing or otherwise disclosing it.

## **5. General Data Protection Regulation**

Respondents should note that the General Data Protection Regulation ('GDPR') entered into force in Ireland on 25th May 2018 and it is intended to give individuals more control over their personal data. The key principles under the Regulation are as follows:

- Lawfulness, fairness and transparency;
- Purpose limitation;
- Data minimisation;
- Accuracy;
- Storage limitation;
- Integrity and confidentiality;
- Accountability.

The Department of Enterprise, Trade and Employment is subject to the provisions of the Regulation in relation to personal data collected by it from 25 May 2018. Any personal information which you volunteer to this Department, will be treated with the highest standards of security and confidentiality, strictly in accordance with the Data Protection Acts 1988 to 2018.



## Appendix I

Consultation by the Department of Enterprise, Trade and Employment on Member State Options under the Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability Reporting

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
<b>Article 1 – Amendments to Directive 2013/34/EU the Accounting Directive</b>		
<b>Article 1 Scope (Amended)</b> <i>New point 3 last subparagraph (New)</i>		
Member States <u>may</u> choose not to apply the coordination measures referred to in the first subparagraph of this paragraph to the undertakings listed in points (2) to (23) of Article 2(5) of Directive 2013/36/EU of the European Parliament and of the Council.	<p>The new requirements for sustainability reporting under the directive apply to large companies and large public-interest entities and listed SMEs.</p> <p>This option allows Member States to exclude certain undertakings on a case-by-case basis. The list of undertakings relevant to Ireland's</p>	<p>Chartered Accountants Ireland ('the Institute') does not believe that there is a valid public interest reason to treat the entities, listed in Article 2[5] and which meet the criteria of being within the Corporate Sustainability Reporting Directive (CSRD), any differently to large companies, large PIEs and listed SMEs.</p> <p>Therefore, we are of the view that it is not appropriate to specifically exclude those entities and that this option should not be taken. In the interest of public policy, if an entity meets the size criteria limits set out in the CSRD, then they</p>

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
	<p>transposition in Article 2<sup>6</sup> are central banks; post office institutions; the Strategic Banking Corporation of Ireland, credit unions and friendly societies.</p>	<p>should be subject to the sustainability reporting requirements of the CSRD.</p> <p><b>Additional note on PIEs</b></p> <p>We have a specific concern relating to the scope of CSRD as outlined below which we believe should be reviewed by the Department to avoid unintended consequences.</p> <p>The CSRD has amended Articles 19, 19a, 29 and 29a of the EU Accounting Directive (Directive 2013/34/EU) and will be transposed into Irish law. Currently, under the EU Accounting Directive, Large EU PIEs with over 500 average employees fall into the requirement to prepare non-financial information in annual reports. Under Irish law, the transposition of the EU Accounting Directive designated certain entities as EU PIEs through its definition of an ‘ineligible entity’. The question arises as to whether the transposition of the CSRD into Irish law can change this</p>

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<sup>6</sup> [EUR-Lex - 02013L0036-20220101 - EN - EUR-Lex \(europa.eu\)](https://eur-lex.europa.eu/eli/dir/2013/34/oj)

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
		<p>definition for the purposes of the scope of the CSRD if it is transposed by virtue of secondary legislation, as if not, then a wider cohort of Irish entities (than the minimum that could have been used under Article 1) will be required to report under CSRD in the earlier phase of implementation. For details of the potential issues that arise, please see background below.</p> <p><b>Background</b></p> <p><u>1. Definition of 'public-interest entities' under the EU Accounting Directive</u></p> <p>Under the EU Accounting Directive, Article 2 defines 'public-interest entities' as follows:</p> <p>public-interest entities' means undertakings within the scope of Article 1 which are:</p> <p>“(a) governed by the law of a Member State and whose transferable securities are admitted to trading on a regulated market of any Member State within the meaning of point (14) of Article 4(1) of Directive 2004/39/EC of the</p>



Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
		<p>European Parliament and of the Council of 21 April 2004 on markets in financial instruments;</p> <p>(b) credit institutions as defined in point (1) of Article 4 of Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions, other than those referred to in Article 2 of that Directive;</p> <p>(c) insurance undertakings within the meaning of Article 2(1) of Council Directive 91/674/EEC of 19 December 1991 on the annual accounts of insurance undertakings; or</p> <p>(d) designated by Member States as public-interest entities, for instance undertakings that are of significant public relevance because of the nature of their business, their size or the number of their employees”.</p> <p>The EU Accounting Directive also defines small, medium and large undertakings as being based on size only - there are no specific entities excluded from being eligible to be small or medium under the EU Accounting Directive.</p>

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
		<p>For the purposes of reporting non-financial information as required by Articles 19a &amp; 29a of the EU Accounting Directive, large EU PIEs with &gt; 500 employees fall into scope of the requirement from an EU perspective.</p> <p><u>2. Definition of 'public-interest entities' as transposed into Companies Act 2014 (i.e. 'Ineligible entities')</u></p> <p>Under the definition of a PIE in the EU Accounting Directive, (d) above permits Member States to designate certain entities as PIEs where they are of significant public relevance because of the nature of their business, their size or the number of their employees.</p> <p>As part of the Irish transposition of the EU Accounting Directive, the term 'ineligible entities' was effectively used to capture the meaning of a PIE. As part of this transposition, the term 'ineligible entities' incorporated a broader scope of entities as set out below (s275(1), s1116A and s1267A Companies Act 2014). These 'ineligible entities' were consequently excluded from availing of the small company regime. Under the Accounting Directive, the only way to</p>

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
		<p>exclude companies from the small companies regime was to designate them as a 'PIE'.</p> <p>"Ineligible entities" include undertakings that</p> <ul style="list-style-type: none"> <li>(a) Are PLCs, PUCs or PULCs;</li> <li>(b) have transferable securities admitted to trading on any EU regulated market;</li> <li>(c) are credit institutions;</li> <li>(d) are insurance undertakings; and</li> <li>(e) are various other undertakings as set out in Schedule 5 of Companies Act 2014, most of which are regulated by the Central Bank of Ireland</li> </ul> <p>Further, despite meeting the size test criteria to be either small or medium under Companies Act 2014, 'ineligible entities' cannot be either small or medium companies (as stated in S280A(4), S280B(5), S280F(4) and S280G(5) of Companies Act 2014). Therefore, by default, they fall under the definition of a 'large company' even though they may not meet the large company size thresholds.</p> <p>For the purposes of reporting non-financial information as required by Articles 19a &amp; 29a of the EU Accounting</p>

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
		<p>Directive – which was transposed into Irish law by virtue of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 (as amended) – as well as companies listed on a regulated market, credit institutions and insurance undertakings, ineligible entities that meet the ROI large company size criteria with &gt; 500 employees fall into scope of the requirement from an ROI perspective.</p> <p>Therefore, for example, as PLCs fall into the definition of an ‘ineligible entity’ under Irish law, they would appear to be effectively designated as an EU PIE under the EU Accounting Directive. Therefore, under the current definition, and as the CSRD will amend the underlying EU Accounting Directive, a wider cohort of Irish entities (than the minimum that could have been used under Article 1) would be required to report under the CSRD as part of the first implementation phase rather than at a later date. This will present a number of challenges including:</p> <ul style="list-style-type: none"> <li>• This wider cohort of entity may not realise at present they are in scope of CSRD for 2024 reporting in 2025;</li> </ul>

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
		<ul style="list-style-type: none"> <li>• Therefore, they may not yet have started to implement the necessary systems to gather the required data;</li> <li>• In terms of these entities, acquiring external assistance to implement CSRD in the earliest phase of transition will be very difficult given the expertise in the market place will be limited at the outset;</li> <li>• In terms of the provision of limited assurance by assurance providers, it is highly likely an assurance standard will not be available and therefore, the smallest number of entities implementing CSRD in the first phase allows the best opportunity of achieving consistency of implementation in Ireland.</li> </ul> <p>To ensure quality sustainability reporting, under the requirements of CSRD, is established in Ireland we strongly believe that the population of entities that are required to comply with the sustainability reporting requirements of CSRD in the first phase of implementation should be consistent with that identified in the CSRD (i.e. EU PIEs with &gt;500 employees). We believe this would ensure consistency with other EU territories and enable processes of reporting and assurance to be established amongst this smaller population that can then be applied to the remaining</p>

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
		<p>population of undertakings that will be required to prepare sustainability reports the following year.</p> <p>Based on our estimates, we believe that there are approximately 50 additional entities (being the ‘wider cohort’ referred to above) who would have to report in year one under the CSRD, compared to approximately 15 EU PIEs with &gt;500 employees.</p>
<p><b>Article 19a – Sustainability Reporting (New)</b> Point 3 last subparagraph (New)</p>		
<p>Member States <u>may</u> allow information relating to impending developments or matters in the course of negotiation to be omitted in exceptional cases where, in the duly justified opinion of the members of the administrative, management and supervisory bodies, acting within the competences assigned to</p>	<p>The new Article 19a on Sustainability Reporting replaces the existing Article 19a. Article 19a sets out substantially enhanced requirements for sustainability reporting by undertakings in scope of the Directive. The information to be reported should be clearly identifiable within the undertaking’s management report (i.e. the</p>	<p>The Institute believes that it is appropriate to permit entities to exclude the disclosure of certain sensitive information in exceptional circumstances and therefore we believe that the Member State option should be taken. This should only be in the specific circumstances identified in the Directive, the exception should be prescribed, and the fact that information has been excluded and the reason why, should be disclosed.</p> <p>There is precedent in the Accounting Directive for the exclusion of commercially sensitive information, which</p>

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>them by national law and having collective responsibility for that opinion, the disclosure of such information would be seriously prejudicial to the commercial position of the undertaking, provided that such omission does not prevent a fair and balanced understanding of the undertaking’s development, performance and position, and the impact of its activity.</p>	<p>directors’ report). This option allows Member States to permit undertakings to exclude commercially sensitive information from the sustainability reporting under certain circumstances.</p>	<p>Ireland has taken in the past. For example, in Article 18 of the Accounting Directive, Ireland availed of the Member State option relating to the omission of turnover by category or geographical type where the disclosure would be seriously prejudicial to the undertaking.</p>
<p><i>Point 9 subparagraph three (New)</i></p>		
<p>The Member State by whose national law the exempted subsidiary undertaking is governed <u>may</u> require that the consolidated management report or, where applicable, the consolidated sustainability report, of the parent undertaking is published in a language that that</p>	<p>Point 9 sets out exemptions from sustainability reporting for subsidiary undertakings where a parent in the EU includes information on the subsidiary in the consolidated management report drawn up under Article 29 and 29a or, if the parent is in a third country equivalent consolidated sustainability report.</p>	<p>Given the fact that Section 347 and 348 of the Companies Act 2014 requires that any document, annexed to the annual return that is in a language other than the English or Irish language, must be translated into English or Irish. We believe that not taking this option would be contrary to Company Law. It would be completely inconsistent with our current position in Irish law to allow the parent’s untranslated sustainability report to be published.</p>

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>Member State accepts, and that any necessary translation into such language is provided. Any translation that has not been certified shall include a statement to that effect.</p>	<p>Member States have the option to require that the consolidated management/sustainability report is published in an accepted language.</p>	<p><i>Not taking this option would go against the spirit of making sustainability information accessible to stakeholders of a company and it may also cause issues in the CRO in relation to checking the information that it receives.</i></p> <p>Therefore, we recommend that this option is taken.</p>
<p><b>Article 29a. – Consolidated Sustainability Reporting (New)</b> Point 3 last subparagraph (New)</p>		
<p>Member States <u>may</u> allow information relating to impending developments or matters in the course of negotiation to be omitted in exceptional cases where, in the duly justified opinion of the members of the administrative, management and supervisory bodies, acting within the competences assigned to</p>	<p>The new Article 29a on Consolidated Sustainability Reporting replaces the existing Article 29a. Article 29a, similar to Article 19a, sets out substantially enhanced requirements for consolidated sustainability reporting by undertakings in scope of the Directive. The information to be reported should be clearly identifiable within the group</p>	<p>The Institute believes that it is appropriate to permit groups to exclude the disclosure of certain sensitive information in exceptional circumstances and therefore we believe that the Member State option should be taken.</p>



<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>them by national law and having collective responsibility for that opinion, the disclosure of such information would be seriously prejudicial to the commercial position of the group, provided that such omission does not prevent a fair and balanced understanding of the group's development, performance, and position, and the impact of its activity.</p>	<p>management (directors) report. This option allows Member States to permit undertakings to exclude commercially sensitive information from the sustainability reporting under certain circumstances.</p>	
<p><b>Point 8 subparagraph (New)</b></p>		
<p>The Member State by whose national law the exempted parent undertaking is governed <u>may</u> require that the consolidated management report or, where applicable, the consolidated</p>	<p>As in Article 19a, Member States have the option to require that the consolidated management/sustainability report is published in an accepted language.</p>	<p>Given the fact that Section 347 and 348 of the Companies Act 2014 requires that any document annexed to the annual return that is in a language other than the English or Irish language must be translated into English or Irish, we believe that not taking this option would be contrary to Company law. It would be completely inconsistent with our current</p>

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>sustainability report of the parent undertaking is published in a language that that Member State accepts, and that any necessary translation into such language is provided. Any translation that has not been certified shall include a statement to that effect.</p>		<p>position in Irish law to allow the parent’s untranslated sustainability report to be published.</p> <p>Not taking this option would go against the spirit of making sustainable information accessible to stakeholders of a company and it may also cause issues in the CRO in relation to checking the information that it receives.</p> <p>Therefore, we recommend that this option is taken.</p>
<p><b>Article 30 General Publication (Amended)</b> Point 1 subparagraph 2 (New)</p>		
<p>Member States <u>may</u> require undertakings subject to Articles 19a and 29a to make the management report available to the public on their website, free of charge. Where an undertaking does not have a website, Member States <u>may</u> require it to make a written copy of its management</p>	<p>Article 30 of the Accounting Directive sets out the publication requirements for annual financial statements and management reports (i.e. the directors’ report). As a general rule, the management report must be filed with the Companies Registration Office.</p>	<p>The Institute recommends that this option should be taken. Certain Public Interest Entities (PIEs) are already obliged to publish their management report on their website and given that the purpose of the Directive is to foster openness and transparency, non-PIEs should also have to publish on their website. This will be an additional burden on non-PIEs, but the information will be produced in any event as it will have to be filed with the CRO. However, as there can be a significant delay before the reports are available from the CRO and given the fact that there is a charge for obtaining a copy from the CRO, we believe that the report should be</p>

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
report available upon request.	This option allows Member States to require undertakings in scope of the requirements for sustainability reporting to publish the management report on their website or make a copy available upon request.	<p>made available on the company website. The timing for the report being made available on the website should be the same as with the timelines for the filing of the report with the CRO.</p> <p>In the event that the company does not have a website, then a copy should be made available upon request at a price not exceeding its administrative cost.</p>
<b>Point 1 subparagraph 4 (Existing)</b>		
Member States <u>may</u> , however exempt undertakings from the obligation to publish the management report where a copy of all or part of any such report can be easily obtained upon request at a price not exceeding its administrative cost.	<p>As stated above as a general rule, the management report must be filed with the Companies Registration Office. Member States may exempt undertakings from this requirement provided the report can be readily obtained from the undertaking at a price not exceeding its administrative cost.</p> <p>This option is not new and was not taken in the transposition of</p>	The Institute recommends that this option is not taken for similar reasons to those given in immediately preceding reply (response to Article 30(1)(2)) and as we see no good reason to amend the filing requirements with the CRO.

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
	Directive 2013/34/EU but it is repeated here for completeness.	
<p><b>Article 34.3 General Requirement Auditing (Amended)</b> Point 3 (New)</p>		
<p>Member States <u>may</u> allow a statutory auditor or an audit firm other than the one(s) carrying out the statutory audit of financial statements to express the opinion referred to in point (aa) of the second subparagraph of paragraph 1.</p> <p>(i.e., the opinion on the compliance with sustainability reporting)</p>	<p>Article 34 of the Accounting Directive sets out the general requirement for the statutory audit of financial statements of undertakings. It is amended to provide for the assurance (audit) of sustainability reporting by undertakings.</p> <p>This option allows Member States to permit undertakings to engage separate statutory auditors/audit firms to carry out the statutory audit of financial statements and the assurance of the sustainability</p>	<p>The Institute strongly believes that this Member State option should be availed of and that entities should be allowed, if they so wish, to have a different statutory audit provider and sustainability assurance provider. We see several benefits to availing of this option, including;</p> <ul style="list-style-type: none"> <li>• This allows more choice to the entity.</li> <li>• Not availing of the option limits the choice of providers in a sector where there are already scarce resources.</li> <li>• Entities which do not provide sustainability assurance but do provide audit services may lose clients who are subject to the CSRD if the option is not availed of.</li> </ul>

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
	reporting.	
Points 4 and 5 Independent Assurance Services Provider (New)		
<p>Member States <u>may</u> allow an independent assurance services provider established in their territory to express the opinion referred to in point (aa) of the second subparagraph of paragraph 1, provided that such independent assurance services provider is subject to requirements that are equivalent to those set out in Directive 2006/43/EC of the European Parliament and of the Council as regards the assurance of sustainability reporting as defined in point 22 of Article 2 of that Directive, in particular the requirements on:</p>	<p>This option allows Member States to introduce a new category of Independent Assurance Services Provider (IASP) to provide for the assurance of sustainability reporting by undertakings. IASPs must be subject to equivalent requirements to statutory auditors in respect of this assurance work including in respect of training, education, quality assurance and investigations and sanctions. In due course Member States that exercise the option to introduce IASPs must also exercise the option to permit separate statutory auditors/audit firms to carry out the audit of financial statements and assurance of sustainability reporting. Member</p>	<p>The Institute believes that, while this option may be a viable option at some point in the future, there would need to be a significant investment made in providing the framework for IASPs under which to operate. We do not believe that such a framework encompassing qualification, authorisation and supervision currently exists, to put IASPs on an equivalent regulatory footing as statutory auditors. It is important to note that the Institute would not be in a position to provide oversight for IASPs outside of Institute firms.</p> <p>Therefore, we believe that this option should only be availed of at a point in the future when the appropriate infrastructure has been put in place, ensuring the existence of a level playing field between statutory auditor assurance providers and IASPs.</p>

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>(a) training and examination, ensuring that independent assurance services providers acquire the necessary expertise concerning sustainability reporting and the assurance of sustainability reporting;</p> <p>(b) continuing education;</p> <p>(c) quality assurance systems;</p> <p>(d) professional ethics, independence, objectivity, confidentiality and professional secrecy;</p> <p>(e) appointment and dismissal;</p> <p>(f) investigations and sanctions;</p>	<p>states that exercise the option to introduce IASPs must also in due course provide for home/host model of oversight of IASPs with other Member States.</p>	

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>(g) the organisation of the work of the independent assurance services provider, in particular in terms of sufficient resources and personnel and the maintenance of client account records and files; and</p> <p>(h) reporting irregularities.</p> <p>Member States shall ensure that, where an independent assurance services provider expresses the opinion referred to in point (aa) of the second subparagraph of paragraph 1 of this Article, that opinion is prepared in accordance with Articles 26a, 27a and 28a of Directive 2006/43/EC and that, where applicable, the audit</p>		

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>committee, or a dedicated committee, reviews and monitors the independence of the independent assurance services provider in accordance with point (e) of Article 39(6) of Directive 2006/43/EC.</p> <p>Member States shall ensure that independent assurance services providers accredited before 1 January 2024 for the assurance of sustainability reporting, in accordance with Regulation (EC) No 765/2008, are not subject to the training and examination requirements referred to in point (a) of the first subparagraph of this paragraph.</p> <p>Member States shall ensure that</p>		



<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>independent assurance services providers that on 1 January 2024 are undergoing the accreditation process in accordance with the relevant national requirements are not subject to the training and examination requirements referred to in point (a) of the first subparagraph as regards the assurance of sustainability reporting, provided they complete that process by 1 January 2026.</p> <p>Member States shall ensure that the independent assurance services providers referred to in the third and fourth subparagraphs acquire the necessary knowledge in sustainability reporting and the assurance of sustainability</p>		

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>reporting via the continuing education requirement referred to in point (b) of the first subparagraph.</p> <p>If a Member State, pursuant to the first subparagraph, decides to allow an independent assurance services provider to express the opinion referred to in point (aa) of the second subparagraph of paragraph 1, it shall also allow a statutory auditor other than the one(s) carrying out the statutory audit of financial statements to do so, as provided for in paragraph 3.</p> <p>5. From 6 January 2027, a Member State that has made use of the option provided for in paragraph 4 (the “host Member</p>		

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>State”) shall allow independent assurance services provider established in a Member State other than the host Member State (the “home Member State”) to carry out the assurance of sustainability reporting.</p> <p>The home Member State shall be responsible for the supervision of the independent assurance services providers established in its territory, unless the host Member State decides to supervise the assurance of sustainability reporting carried out by independent assurance services providers in its territory.</p> <p>If the host Member State decides to supervise the assurance of sustainability reporting carried out in its territory by independent</p>		

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>assurance services providers registered in another Member State, the host Member State shall:</p> <p>(a) not impose more stringent requirements or liability on such independent assurance services providers than those required for assurance of sustainability reporting by the national laws for the independent assurance services providers or auditors established in that host Member State; and</p> <p>(b) inform other Member States about its decision to supervise the assurance of sustainability reporting carried out by independent assurance services</p>		

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
providers established in other Member States.		
<b>Article 40a Sustainability Reports concerning third-country undertakings (New)</b> Point 1 last subparagraph (new)		
Member States <u>may</u> require subsidiary undertakings or branches referred to in the first and third subparagraphs to send them information about the net turnover generated in their territory and in the Union by the third-country undertakings.	This is a new Article 40a inserted into the Accounting Directive on sustainability reports concerning third country undertakings. This option underpins the requirement for sustainability reports by large subsidiaries and branches operating in the EU (turnover > €40 million) of non-EU companies (turnover in the EU > €150 million). It permits Member States to require subsidiary undertakings and branches to send information about net turnover generated in the Member State and in the EU.	The Institute believes that the mechanism for how this option would work is, in our opinion, very unclear and the Commission would need to review how the information could be collected in a more centralised manner. Otherwise, a structure would be required at country level to collect this information. We would not recommend taking this option, we think it is unnecessary, and would be seen as an additional burden by foreign companies wishing to make a direct investment in Ireland.

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
<b>Article 3 Amendments to Directive 2006/43/EC the Audit Directive</b>		
<b>Article 12 Combination of practical training and theoretical instruction (replaced)</b> Point 1 (existing)		
<p>1. Member States <u>may</u> provide that periods of theoretical instruction in the subjects referred to in Article 8(1) and (2) shall count towards the periods of professional activity referred to in Article 11, provided that such instruction is attested by an examination recognised by the Member State. Such instruction shall not last less than one year, nor may it reduce the period of professional activity by more than four years.</p> <p>2. The period of professional activity and practical training shall not be shorter than the course of</p>	<p>This Article and option allows Member States to permit that periods of study can count towards professional activity periods required in Article 11 which governs qualifications through long term practical experience of statutory auditors. There is no substantive change to this option and it is not concerned with sustainability reporting but it is amended to take account of new cross-references in Article 8 arising from the amending Directive. It was not exercised in the transpositions of Directive 2006/43/EC and Directive 2014/56/EU however it is repeated here for completeness.</p>	

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
theoretical instruction together with the practical training required under the first subparagraph of Article 10(1).’;		
<p><b>Article 26a Assurance Standards for sustainability reporting (New)</b> Point 2 (New)</p>		
<p>2. Member States <u>may</u> apply national assurance standards, procedures or requirements as long as the Commission has not adopted an assurance standard covering the same subject matter.</p> <p>Member States shall communicate the national assurance standards, procedures or requirements to the Commission at least three months before their entry into force.</p>	<p>Article 26a is a new article inserted into the Audit Directive which sets out the requirement for the audit of sustainability reporting to be done in accordance with assurance standards which will be developed by the EU Commission. This option permits Member States to apply national standards in the event that the Commission has not adopted a standard on the same subject matter.</p>	<p>The Institute believes that Ireland has no option but to avail of this Member State option. The reason for this is that there are no such standards at an EU level and without the appropriate standards, no assurance can be provided. If the option is taken locally, then standards can be set by IAASA, or those of the IAASB could be applied through legislation.</p>
<p><b>Article 28a Assurance Report on sustainability reporting (New)</b> Point 5 (New)</p>		

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
<p>5. Member States <u>may</u> require that, where the same statutory auditor carries out the statutory audit of annual financial statements and the assurance of sustainability reporting, the assurance report on sustainability reporting may be included as a separate section of the audit report.</p>	<p>Article 28a is a new article inserted into the Audit Directive which sets out the requirements for the assurance report by statutory auditors/audit firms of sustainability reporting to be done in accordance with assurance standards which will be developed by the EU Commission (or any national standard if relevant).</p> <p>This option permits Member States to provide that where the same statutory auditor/audit firm carries out the statutory audit of the financial statements and the assurance of sustainability reporting, the assurance report may be included as a separate section of the audit report.</p>	<p>The Institute does not support availing of this Member State option. We believe that it is appropriate to have a separate audit report and a separate assurance report. There are several reasons why we believe that this option should not be taken, including;</p> <ol style="list-style-type: none"> <li>1. Separate reports allow for greater comparability between entities. For example, it may be difficult for a reader to compare a single audit/assurance report for one entity which has used the same provider to two separate audit and assurance reports for an entity which has used different providers. We believe that separate reports will be more beneficial for the reader.</li> <li>2. The combining of the two reports could create the perception that the sustainability assurance report is an “add-on” to the audit, which may diminish its importance to the reader.</li> <li>3. The combining of the two reports could worsen the expectation gap if the nature of the two engagements are not understood.</li> <li>4. The audit report is already quite long. Adding another section will lengthen this further.</li> <li>5. Combining the two reports could cause signature issues. For example, an assurance report could be</li> </ol>



Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
		<p>signed in the name of the firm (and not the individual), whereas the audit report is required to be signed in the name of the responsible individual.</p> <p>6. In the initial period, the audit report is providing reasonable assurance whereas the sustainability report is providing limited assurance. If these are in a single report, explaining this difference may cause significant confusion for the reader of the report.</p>
<p><b>Article 29 Quality Assurance Systems (Amendment)</b></p> <p>Point 2a (New)</p>		
<p>2a. Member States <u>may</u> exempt, until 31 December 2025, persons who carry out quality assurance reviews relating to the assurance of sustainability reporting from the requirement to have relevant experience in sustainability reporting and in the assurance of sustainability reporting or in other sustainability-related services.’;</p>	<p>The amendments to Article 29, which governs quality assurance systems for statutory audit, allow where applicable for quality assurance of sustainability reporting.</p>	<p>The Institute supports availing of this Member State option. Given the tight timelines for CSRD implementation, we consider that it is appropriate to avail of any opportunities to maximise time for full and proper implementation. The gaining of experience in this new area of reporting and assurance provision will be a challenge for all engaged in this work and will be built up over time.</p> <p>There is little risk in availing of this Member State option as the first quality assurance reviews will not need to take place until after 31 December 2025.</p>

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
	<p>This option permits Member States to allow for a transition period for persons carrying out quality assurance reviews on sustainability reporting by exempting them until the end of 2025 from the requirement to have relevant experience in sustainability reporting or the assurance of same.</p>	
<p><b>Article 30 Systems of Investigations and Sanctions (Amended)</b> Point 2 second subparagraph (existing)</p>		
<p>Member States <u>may</u> decide not to lay down rules for administrative sanctions for infringements which are already subject to national criminal law. In that event, they shall communicate to the Commission the relevant criminal law provisions.’;</p>	<p>The amendments to Article 30, which governs systems of investigations and sanctions for breaches of statutory audit rules, allow for the extension of investigation and sanctions systems to assurance of sustainability reporting.</p>	<p>The Institute supports availing of this Member State option.</p> <p>This is consistent with the approach taken by Ireland in transposition of Article 30 Directive 2006/43/EC regarding statutory audit.</p>

Member State Option	Background Information	Do you consider that Ireland should exercise this option? Please provide reasons for your answer.
	<p>This option is not amended directly and allows Member States not to provide for an administrative sanction regime where criminal law already applies. It was not exercised in the transposition of Directive 2014/56/EU.</p>	
<p><b>Article 39 Audit Committee (Amended)</b> <i>Paragraph 4a (New)</i></p>		
<p>Member States <u>may</u> allow the functions assigned to the audit committee relating to sustainability reporting and relating to the assurance of sustainability reporting to be performed by the administrative or supervisory body as a whole or by a dedicated body established by the administrative or</p>	<p>The amendments to Article 39, which governs the rules for Audit Committees of public interest entities, allow for the extension of certain audit committee functions to include assurance of sustainability reporting. This option permits Member States to allow these functions to be assigned to the board of directors of the public-</p>	<p>The option to require PIEs to establish an Audit Committee was optional when introduced in the original Audit Directive. Ireland had a basis for implementing the option and making it a requirement for Irish PIEs, recognising the crucial role they play in promoting strong corporate governance.</p> <p>Audit Committees are important in supporting boards with the company’s sustainability transformation as well, given that their primary roles are overseeing risk and making sure that the appropriate internal controls are in place. We believe that, given the interconnectedness of financial information and sustainability related information, the same</p>

<b>Member State Option</b>	<b>Background Information</b>	<b>Do you consider that Ireland should exercise this option? Please provide reasons for your answer.</b>
supervisory body.	interest for example or another dedicated body established by the public interest entity. It is similar to an option at Article 39(4) which applies to statutory audit. This option was not exercised in the transposition of Directive 2014/56/EU.	<p>bodies should have responsibility for the financial information and sustainability information.</p> <p>The Institute therefore believes that it is sensible and practical to avail of this Member State option, ensuring that Ireland takes a proactive approach to legal corporate governance frameworks for PIEs.</p> <p>We also acknowledge that board committees with responsibility for risk, remuneration and nominations will also have key responsibilities to ensure effective oversight of sustainability requirements in the company.</p>

**Please provide any further views you have in relation to the transposition and development of future policy in this area.**

### **The regulatory framework for the provision of assurance on sustainability reporting under the CSRD**

This section of the Institute's response relates to matters pertinent to the regulatory framework for the provision of sustainability assurance services. The Institute has some questions and comments in relation to how the regulatory aspects of the CSRD will be transposed and regarding how its provisions will be implemented in practice in Ireland. We consider it appropriate to raise these questions as part of our response to this consultation as their consideration may serve to assist the department with their transposition work and are raised under the following headings:

- (a) Transitional arrangements / 'grandfathering' of statutory auditors as sustainability assurance providers.
- (b) Education and training requirements for sustainability assurance providers.
- (c) Responsibility for the supervision of sustainability assurance providers of public interest entities (PIEs)

#### (a) Transitional arrangements / 'grandfathering' of statutory auditors as sustainability assurance providers

CSRD reference: CSRD Article 3(9) - insertion of Article 14a in Directive 2006/43/EC

These transitional arrangements require Member States to ensure that persons who are approved statutory auditors on 1 January 2024 can be sustainability assurance providers without undertaking the theoretical instruction, examination and practical training introduced for sustainability assurance providers going forward. These arrangements also apply to those undergoing the approval process provided for in Articles 6 to 14 of Directive 2006/43/EC on 1 January 2024 where that process is completed by 1 January 2026. Both these categories of individuals will be required to undertake appropriate continuing education (CPD). It is important that the meaning of 'undergoing the approval process provided for in Articles 6 to 14 of Directive 2006/43/EC' is clear on transposition. This will help avoid any unnecessary and unmanageable 'flood' of applications for statutory auditor status to the Recognised Accountancy Bodies (RABs) in the later months of 2023.

The Institute understands the term 'undergoing the approval process provided for in Articles 6 to 14 [of Directive 2006/43/EC]' to mean any person who either is undergoing or has completed the study and training outlined in Articles 6 to 14 (as described in Schedule 19 of Ireland's

Companies Act 2014). We therefore consider that the CSRD intends the transitional arrangements to pertain to students and members of a RAB who have completed, or are in the process of completing those aforementioned programs at 1 January 2024, and who actually complete that process, apply for and are approved as statutory auditor by 1 January 2026. We do not consider that it is necessary for the individual to have lodged an application for statutory auditor status, or even for the s.1472 appropriate qualification, with a RAB by 1 January 2024 for this individual to be in a position to avail of the transitional arrangements.

It is realistic to expect that experienced individuals working in statutory audit firms may consider applying for statutory auditor status in a timeframe which would allow for approval (if appropriate) by 1 January 2026 to avail of the transitional arrangements for sustainability assurance providers. It would not be desirable, or indeed necessary for CSRD compliance, for these individuals to be under pressure to submit applications for statutory auditor approval to their RAB before 1 January 2024 since such individuals can be considered to be undergoing the approval process set out in Articles 6 to 14 of Directive 2006/43/EC at that date.

We encourage the Department to transpose these provisions in a manner which reflects the flexibility of the CSRD. The Institute would welcome any clarity on this matter which can be provided by the Department to help ensure that the RABs are not overwhelmed by queries and applications which cannot be managed before 1 January 2024, and indeed may not need to be.

- (i) Persons availing of the transitional arrangements must undertake appropriate CPD. The Institute supports the requirement for CPD and believes it is essential for all sustainability assurance providers to have the necessary skills and knowledge to perform sustainability assurance engagements with competence.

The nature of CPD is that it continues over time as an individual's professional career develops and Article 13 Directive 2006/43/EC reflects this. New Article 14a Directive 2006/43/EC does not provide clarity regarding the timing of the CPD required of 'grandfathered' sustainability assurance providers. Is it envisaged, for example, that appropriate sustainability related CPD (including the subjects outlined in Article 8(3)) should be undertaken in advance of the 'grandfathered' sustainability assurance provider being approved/registered? The Institute considers that while it is not necessary for Irish law to be prescriptive in this regard, it will be important that the law is capable of consistent application across all the RABs within their differing regulatory processes. We note that IAASA has issued Guidelines for the RABs in relation to the CPD to be undertaken by statutory auditors which promotes consistency amongst the RABs with the application of Article 13 Directive 2006/43/EC

(transposed as s. 1489 in Companies Act 2014) in the context of statutory auditors. An approach establishing similar expectations/ requirements in respect of appropriate CPD on this issue would be helpful.

(b) Education and training requirements for sustainability assurance providers

Training requirements:

CSRD reference: CSRD Article 3(6) - insertion of a second subparagraph in Article 10(1) Directive 2006/43/EC

The first subparagraph of Article 10(1) Directive 2006/43/EC sets out the practical training required of trainees before they may be approved as a statutory auditor, which includes completing 'a minimum of three years' practical training in, inter alia, the auditing of annual financial statements, consolidated financial statements or similar financial statements.' The second subparagraph of Article 10(1), added by Article 3(6) of the CSRD, provides that (outside of the transitional or 'grandfathering' arrangements), at least eight months of this practical training shall be 'on the assurance of annual and consolidated sustainability reporting or on other sustainability-related services' in order for the statutory auditor or the trainee to also be approved to carry out the assurance of sustainability reporting.

The eight months training requirement and the transposition of same give rise to a number of practical challenges, as outlined below.

- (i) Ability, under Irish law, to obtain the eight months training requirement of the CSRD within the three years practical training requirement for approval as a statutory auditor.

As set out above, the CSRD envisages that the eight months practical training requirement in sustainability matters will be obtained within the three year practical training requirement for approval as a statutory auditor. We do not believe that it is workable, or indeed mathematically possible, under Irish law, for trainee auditors to meet both this eight-month sustainability training requirement and the existing requirement in

Schedule 19(4) to Companies Act 2014 that a substantial part of their practical training (i.e., forty-six weeks<sup>7</sup>) be in statutory audit work. Indeed, the latter requirement is already challenging for trainee auditors given the narrow interpretation of statutory audit work in this context.

A solution to the difficulties posed by adding a requirement of eight months practical training in sustainability matters to an auditor's period of training, may be an amendment of the existing requirement in Schedule 19(4). This Schedule 19(4) requirement (i.e., 'A substantial part of such practical training shall be in statutory audit work...') is not a requirement of Article 10(1) of Directive 2006/43/EC, but rather is an Irish 'add-on' to the requirements of the Directive.

The challenge posed by the Schedule 19(4) requirement that 'a substantial part of such practical training shall be in statutory audit work' is not only that this substantial part is a significant 46 weeks (a quantum agreed with IAASA) but that the meaning of 'statutory audit work' is narrowly interpreted. This interpretation causes difficulties for certain Institute students and firms, in ensuring that the required audit experience is obtained during the training period. Excluded from what is accepted as statutory audit work at present, for example, are audits performed on entities such as credit unions, and audits involving the application of auditing standards of non-EU jurisdictions typically based on the same international auditing standards as Irish standards. On many of these such audit engagements, students are using and developing the same skillset and mindset as they would working on an audit, meeting the interpretation of statutory audit work.

In an environment where the number of statutory audit firms on the CRO register is declining, it is essential that the qualification and experience requirements for aspiring auditors, while being sufficiently rigorous and demanding, should also facilitate a route to qualification that does not present unnecessary impediments or restrictions in terms of the recognition of experience gained during the training period.

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<sup>7</sup> Reflecting this requirement, the Institute's Training Regulations, as approved by IAASA, require that, as part of the educational requirements for the awarding of the Audit Qualification ('AQ') in Ireland, at least forty-six weeks practical audit training be received, referencing in this regard the definition of statutory audit in section 1461 of CA 2014. The Institute understands that the other RABs also have a similar quantum in terms of experience. The Audit Qualification means the 'Appropriate qualification' for the purposes of section 1470(a) of Companies Act 2014, as set out in section 1472 of Companies Act 2014.



We consider that an amendment of Schedule 19(4) would facilitate the meeting of the eight months training requirement of the CSRD, while also ensuring that Irish law remains compliant with the requirements of Article 10(1). The amendment of the Companies Act 2014 in this regard would ideally be the removal of the 'add-on' in Schedule 19(4) (i.e., 'A substantial part of such practical training shall be in statutory audit work...') or, at a minimum, amendment of the wording at Schedule 19(4) to facilitate the recognition of other audit work. We would welcome the opportunity to engage with the Department on this matter during the transposition of the CSRD, with a view to providing a practical solution to these issues. It would be worthwhile to also include IAASA in any such engagement.

(ii) Interpretation of eight months training in sustainability matters required in CSRD

We acknowledge that undertaking sufficient training in relation to sustainability matters will be an important part of developing the competence of future sustainability assurance providers. It will be essential that the nature of the allowed eight months training in this regard is broad enough to enable its attainment. Obtaining this experience is going to be particularly difficult in the earlier years of CSRD implementation when sustainability assurance engagements will be limited assurance engagements and when fewer entities are in scope of the CSRD initially.

Article 3(6) of the CSRD requires that the eight months training 'shall be on the assurance of annual and consolidated sustainability reporting or on other sustainability-related services'. We consider therefore, that the CSRD provides for sustainability training that is not limited only to the provision of assurance. Furthermore, it would be practical to allow for the inclusion of time spent undertaking courses of study in sustainability reporting and assurance to count towards the eight months of required training as valuable skills will be developed at that time.

Consistent with our comments above on related and other regulatory matters, we encourage the Department to transpose these provisions in a manner that is faithful to the CSRD while allowing the maximum flexibility for implementation.

Education requirements:

Given the uncertainty surrounding the ESRS and the wider scope of CSRD, and the clarity required from transposed legislation, the challenge for Education Providers, including the Institute, is to ensure that it responds in a timely manner and develops teaching content that is 'fit for purpose'.

(c) Responsibility for the supervision of sustainability assurance providers of public interest entities (PIEs)

The CSRD does not make specific provisions for the oversight of persons providing assurance on the sustainability reports of PIEs compared to those providing assurance in relation to the sustainability reports of entities which are not PIEs.

In the context of statutory audit, the Directive 2006/43/EC and the Regulation 537/2014 (the EU Statutory Audit Regulation and Directive, 'ARD') ensure that the supervision of PIE auditors is reserved to national competent authorities in Member States. In Ireland, therefore, IAASA has responsibility for the supervision of PIE auditors while the RABs, subject to IAASA oversight, are responsible for the supervision of non-PIE auditors.

Although the CSRD does not specify that the national competent authority is responsible for overseeing the work of PIE sustainability assurance providers, the Institute considers that it would be appropriate, consistent and efficient for the PIE/non-PIE distinction to be made in this regard and for the supervision of PIE sustainability assurance providers to be reserved to IAASA. It will be important for the transposed legislation to provide clarity in this regard.

Similarly, we consider that the responsibility for registering and regulating third country sustainability assurance providers should fall within the remit of IAASA, consistent with the approach to registered third country auditors and third country audit entities in Chapter 21 of Part 27 of the Companies Act 2014.

### **Other Miscellaneous Comments**

We note that the Member State option to allow the signature of the statutory auditor carrying out assurance on an entity's sustainability reporting to not be disclosed in certain circumstances (new Article 28a of the Statutory Audit Directive) has not been included in the consultation ("In exceptional circumstances, Member States may provide that such signature(s) need not be disclosed to the public if such disclosure could lead to an imminent and significant threat to the personal security of any person."). While this option may not be a circumstance that would be expected to arise very often (if at all) in practice, for completeness, it should be considered whether this Member State option should be taken or not taken.

We believe that it will be necessary for transposition guidance to be provided by the Department in relation to whether the requirements for confidentiality and professional secrecy will require amendment in the context of this sustainability engagement. This is to ensure that the exchange of relevant information between the statutory auditor and the sustainability assurance provider (if not the same) can occur where necessary. The current rules in this regard are set out in **Part 27, Chapter 11 of the Companies Act 2014**.

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