EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR FINANCIAL STABILITY, FINANCIAL SERVICES AND CAPITAL MARKETS UNION

Financial Markets
The Director

Brussels
FISMA.C.1/ADM

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Subject: Update on the request for a technical advice for the development of EU specific add-ons and carve-outs (if applicable) to be included in the Delegated Act adopting limited assurance sustainability standards based on the final version of ISSA 5000.

Dear Mr Prodromides,

On 7 March 2024, the Commission sent the CEAOB a letter requesting to design and adopt non-binding assurance guidelines and a technical advice for the development of EU specific add-ons and carve-outs (if applicable) to be included in the Delegated Act on limited assurance standards based on the final version of ISSA 5000.

Following a public consultation, on 30 September 2024, the CEAOB published its guidelines on limited assurance on sustainability reporting. The Commission welcomes the guidelines and recognises their valuable contribution towards more consistent practices across the EU market and burden reduction.

On 26 February 2025, the Commission published its Omnibus simplification package proposal with the aim of streamlining the CSRD regulatory framework making it more proportionate and easier to implement by EU companies, without undermining the policy objectives and overall ambition of the European Green Deal.

The Commission proposal essentially contains two changes on the sustainability assurance topic, namely:

1. The Commission proposes to remove the deadline for the adoption of a Delegated Act for limited assurance standards and to first issue (by 2026) Commission guidelines targeted on specific topics to clarify the necessary procedures that assurance providers need to perform as part of their limited assurance engagement The aim is to address emerging issues stemming from assurance on sustainability reporting more quickly and flexibly and avoid unnecessary burden on undertakings that are subject to the reporting requirements.

2. The Commission proposes to remove the empowerment for the adoption of reasonable assurance standards altogether to clarify that reasonable assurance will not be mandated

for sustainability reporting in the coming years, meaning that there will be no future increase in costs of assurance for undertakings in scope of the CSRD.

Against this background and in considering that the Commission's proposal is subject to negotiations between the Council and the European Parliament, we would like to invite the CEAOB to reorientate its focus and provide technical advice to the Commission necessary for the development of these targeted guidelines.

In the absence of EU standards adopted by the Commission, Member States may apply national assurance standards procedures or requirements. To avoid unnecessary fragmentation, we encourage the CEAOB to continue its valuable work on the preparation of a technical advice for the development of EU specific add-ons (and possible carve-outs) to ISSA 5000, but the deadline for the requested advice (May 2025) no longer applies.

Yours sincerely,

Electronically signed

Martin MERLIN

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Electronically signed on 13/03/2025 14:43 (UTC+01) in accordance with Article 11 of Commission Decision (EU) 2021/2121