



IES EXPOSURE DRAFT: RESPONSE TEMPLATE

RESPONSE TEMPLATE FOR THE ED OF THE PROPOSED REVISIONS TO IES 2, 3, AND 4 – SUSTAINABILITY

Guide for Respondents

Comments are requested by **July 24, 2024**.

This template is for providing comments on the Exposure Draft (ED) of proposed revisions to International Education Standards 2, 3, and 4 -- Sustainability, in response to the questions set out in the Explanatory Memorandum (EM) to the ED. It also allows for respondent details, demographics and other comments to be provided. Use of the template will facilitate IFAC's automated collation of the responses.

You may respond to all questions or only selected questions.

To assist our consideration of your comments, please:

- For each question, start by indicating your overall response using the drop-down menu under each question. Then below that include any detailed comments, as indicated.
- When providing comments:
 - Respond directly to the questions.
 - Provide the rationale for your answers. If you disagree with the proposals in the ED, please provide specific reasons for your disagreement and specific suggestions for changes that may be needed to the requirements, application material or appendices. If you agree with the proposals, it will be helpful for IFAC to be made aware of this view.
 - Identify the specific aspects of the ED that your response relates to, for example, by reference to sections, headings or specific paragraphs in the ED.
 - Avoid inserting tables or text boxes in the template when providing your responses to the questions because this will complicate the automated collation of the responses.
- Submit your comments, using the response template only, without a covering letter or any summary of your key issues, instead identify any key issues, as far as possible, in your responses to the questions.

The response template provides the opportunity to provide details about your organization and, should you choose to do so, any other matters not raised in specific questions that you wish to place on the public record. All responses will be considered a matter of public record and will ultimately be posted on the IFAC website.

[Use the "Submit Comment" button on the ED web page to upload the completed template.](#)

Responses to IFAC’s Request for Comments in the EM for the ED, Proposed Revisions to IES 2, 3, and 4 – Sustainability

PART A: Respondent Details and Demographic information

Your organization’s name (or your name if you are making a submission in your personal capacity)	Hong Kong Institute of Certified Public Accountants
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Kit Wong
Name(s) of contact(s) for this submission (or leave blank if the same as above)	
E-mail address(es) of contact(s)	kitwong@hki CPA.org.hk
Geographical profile that best represents your situation (i.e., from which geographical perspective are you providing feedback on the ED). Select the most appropriate option.	Asia Pacific
	If “Other”, please clarify
The stakeholder group to which you belong (i.e., from which perspective are you providing feedback on the ED). Select the most appropriate option.	Member body and other professional organization
	If “Other”, please specify
Should you choose to do so, you may include information about your organization (or yourself, as applicable).	

Should you choose to do so, you may provide overall views or additional background to your submission. **Please note that this is optional.** IFAC’s preference is that you incorporate all your views in your comments to the questions (also, the last question in Part C allows for raising any other matters in relation to the ED).

Information, if any, not already included in responding to the questions in Parts B and C:

PART B: Responses to Specific Questions in the EM for the ED

For each question, please start with your overall response by selecting one of the items in the drop-down list under the question. Provide your detailed comments, if any, below as indicated.

1. Do you support the proposed revisions to IES 2, 3, and 4 for sustainability? If not, please explain your reasons and indicate what changes you would suggest.

Overall response: [Agree, with comments below](#)

Detailed comments (if any):

In grooming aspiring professional accountants to engage in hands-on sustainability works and become business leaders, solid knowledge on sustainability concepts, value and issues are essential for them to master their profession. We agree that the sustainability principles and contents shall be embedded in different competence areas with relevant learning outcomes under the Initial Professional Development (IPD) programmes.

2. Are the sustainability learning outcomes sufficient and appropriate expectations for aspiring professional accountants? If not, please explain your reasons and indicate what changes you would support.

Overall response: [Agree, with comments below](#)

Detailed comments (if any):

The sustainability competence areas and learning outcomes covered under IESs 2, 3 and 4 (i.e. technical competences, professional skills and professional values, ethics and attitudes) are considered sufficient and appropriate for the training of aspiring professional accountants.

In view that the accountancy professional will play a vital role in providing sustainability-related services, professional accountants are expected to be effective communicators, and required to collaborate with process owners and/ or external subject matter experts in different corporate functions to assess and/ or complete their sustainability engagements. In this regard, we support the proposal on revising IES 3, especially on the interpersonal and communication competence area, that can integrate the professional skills with the technical competences in IES 2 to support the learning and development of the aspiring professional accountants.

Moreover, professional accountants are required to exercising their professional judgement and maintaining their professional skepticism throughout the corporate reporting and / or assurance process, especially on the assessment of the appropriateness of sustainability information. We support on the proposal to revise the competence areas of professional skepticism, professional judgement and ethical principles under the IES 4, which can strengthen aspiring professional accountants' values and attitudes in performing professional roles.

3A. Do you support the proposal to create a new competence area for assurance? If not, please explain your reason and indicate what changes you would suggest.

Overall response: [Agree, with comments below](#)

Detailed comments (if any):

Recently, corporate leaders and practitioners have to provide devise plans to train up staff across different corporate functions on how to prepare for the sustainability reporting and / or assurance requirements to ensure appropriate reporting process and/ or assurance approach on the reported sustainability information. Different business leaders and practitioners adopting different approaches of training may create implementation challenges for them in conducting engagements.

The proposal on creating new competence area for assurance, which based on the overarching standard for assurance on sustainability reporting being developed by the International Auditing and Assurance Standards Board (IAASB), will enable a holistic training approach for inspiring professional accountants to gain fundamental knowledge in sustainability assurance and adopt a consistent approach in application of the requirements so as to meet prevailing market expectation.

The separation of assurance learning outcomes from the existing “audit and assurance” competence area facilitates the corporate leaders / practitioners to understand and implement these learning outcomes in their real working practice.

3B. Is the level of the proposed assurance competence area and learning outcomes at foundation level appropriate for aspiring for professional accountants? If not, please explain your reason and indicate what changes you would suggest.

Overall response: [Agree, with comments below](#)

Detailed comments (if any):

The proposed assurance competence area and the respective learning outcomes to be set at foundation level is considered as appropriate to lay the base for aspiring professional accountants to equip them with essential sustainability assurance concepts and perform their professional roles after the completion of the IPD programmes.

Given the field of sustainability assurance is expected to evolve gradually, aspiring professional accountants can stay abreast of the latest developments and best practices through Continuing Professional Development (CPD) courses and activities organised by their professional bodies after the completion of IPD stage.

4. Are there any terms within the new and revised learning outcomes of IES 2, 3, and 4 which require further clarification? If so, please explain which terms and how they could be better explained or revised.

Overall response: [Agree, with comments below](#)

Detailed comments (if any):

The term “systems-thinking approach” is not defined under IFRS S1 and S2. To enhance the understanding and implementation of the learning outcomes in paragraph 7 of the IES 2, it would be beneficial to define the “systems-thinking approach” and provide further clarification or guidance on its practical application for analyzing the sustainability factors within the context of the learning outcomes specified on the competence area (I) Business strategy and management.

5. Do you believe the adoption and implementation of the proposed revised IES 2, 3, and 4, including will present any challenges to your organization? If yes, what challenges do you foresee?

Overall response: [Agree, with comments below](#)

Detailed comments (if any):

The sustainability principles and contents to be embedded in different competence areas of the IPD programme can provide an all-rounded awareness and training for the aspiring professional accountants. With the development of International Standard on Sustainability Assurance (ISSA) 5000 which is anticipated to be finalised in December 2024, member organisations would adopt those global requirements thereafter at varying paces in different jurisdictions.

As such, member organisations and education institutions in different jurisdictions may need more time in setting up appropriate curriculum, operation procedures and learning materials for the relevant learning outcomes in order to support an effective implementation of the new and / or revised competencies.

In view that ISSA 5000 is crucial to the substantiality assurance framework with the impact to numerous technical competences, it is suggested that the release and effective dates of the final ISSA 5000 shall be considered in the course of determining the effective date of the revised IESs 2, 3 and 4.

Part C: Request for General Comments

IFAC is also seeking comments on the matters set out below:

6. General comments are welcomed on all matters addressed in the proposed IES 2, 3, and 4 (See Appendices A to E). Where relevant, when making general comments, it is helpful to refer to specific paragraphs, include the reason for the comments and, where appropriate, make specific suggestions for any proposed changes to wording to fully appreciate the respondent's position. Where a respondent agrees with proposals in the exposure draft (especially those calling for a change in current practice), it is helpful to note the reason you agree.

Overall response: [No response](#)

Detailed comments (if any):