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

Financial markets
Corporate reporting, audit and credit rating agencies

CONSULTATION DOCUMENT

TARGETED CONSULTATION ON LIMITED ASSURANCE STANDARD

Disclaimer

This document is a working document of the Commission services for consultation and does not prejudge the final decision that the Commission may take.

The views reflected on this consultation paper provide an indication on the approach the Commission services may take but do not constitute a final policy position or a formal proposal by the European Commission.

You are invited to reply **by 18 January 2027** at the latest to the **online questionnaire** available on the following webpage:
https://finance.ec.europa.eu/regulation-and-supervision/consultations-0/targeted-consultation-limited-assurance-standard_en

Please note that in order to ensure a fair and transparent consultation process **only responses received through the online questionnaire will be taken into account and included in the report summarising the responses**.

This consultation follows the normal rules of the European Commission for public consultations. Responses will be published in accordance with the privacy options respondents will have opted for in the online questionnaire.

In this targeted consultation, the Commission is interested in the views of a wide range of stakeholders. Responses to this consultation are expected to be most useful where they present a clear and detailed narrative, demonstrated by data (where possible), concrete examples, legal references and qualitative evidence.

Responses authorised for publication will be published on the following webpage: https://finance.ec.europa.eu/regulation-and-supervision/consultations-0/targeted-consultation-limited-assurance-standard_en#consultation-outcome

Any question on this consultation or issue encountered with the online questionnaire can be raised via email at functional mailbox email address.

INTRODUCTION

WHY DO LIMITED ASSURANCE STANDARDS MATTER?

Under the Accounting Directive (2013/34/EU), as amended by the Corporate Sustainability Reporting Directive "CSRD" ((EU) 2022/2464) and by the Omnibus I Directive ((EU) 2026/470), certain undertakings are required to report in accordance with the European Sustainability Reporting Standards (ESRS), as revised in 2026. These undertakings must have their sustainability reporting assured. Assurance underpins the credibility, reliability and comparability of that reporting, and gives investors, business partners and other users confidence in the sustainability information companies disclose. To function across the internal market, assurance engagements need to be carried out to common standards, so that an assurance conclusion carries the same meaning and quality wherever the engagement takes place. Without common standards, the level of assurance obtained, and the way it is expressed, risks diverging between Member States, undermining the comparability the sustainability reporting framework is intended to deliver.

WHAT IS THE STATE OF PLAY?

Article 26a(3) of the Audit Directive (2006/43/EC), as amended by the Omnibus I Directive ((EU) 2026/470), requires the Commission to adopt, no later than 1 July 2027, a delegated act setting out limited assurance standards. These standards will specify the procedures that auditors and assurance providers are to perform to reach their conclusions on the assurance of sustainability reporting, including engagement planning, consideration of and response to risks, and the type of conclusion to be provided.

To prepare the delegated act, the Commission asked the Committee of European Auditing Oversight Bodies (CEAOB) for technical advice. The CEAOB delivered the technical advice on 30 September 2026. The technical advice uses the International Standard on Sustainability Assurance 5000 (ISSA 5000) as its basis and identifies where adaptations are needed to reflect the Union legal framework. Carve-outs cover items which are not applicable in or contradictory with EU legal provisions and those specific to reasonable assurance. Add-ons are items not covered by ISSA 5000: the assurance opinion on compliance of the sustainability reporting with the requirements to markup sustainability reporting and with the reporting requirements provided for in Article 8 of the Taxonomy Regulation ((EU) 2020/852). They also cover necessary specifications or clarifications to facilitate the implementation of ISSA 5000 provisions within the EU context, such as the identification of the criteria.

WHY THIS CONSULTATION NOW?

This consultation gathers evidence and stakeholders' views to inform the Commission's preparation of the delegated act, based on CEAOB's technical work. The consultation focuses on how the future standard can best operate in practice: how it can facilitate the delivery of credible, consistent and proportionate limited assurance, how it should interact with the surrounding EU legal framework, and how the assurance report can be most useful to those who rely on it. It does not reopen the policy choices already settled

in the CSRD framework, in particular the requirement for assurance, the choice of limited assurance as the applicable level, or the content of the ESRS themselves.

WHAT KIND OF FEEDBACK IS SOUGHT?

This consultation seeks feedback from all types of stakeholders, including preparers of sustainability reporting, auditors and independent assurance services providers, investors and other users of assurance, standard-setters and oversight bodies, and civil-society organisations.

Responses are most useful where the views expressed are supported by a clear explanation of the reasoning, evidenced by data where available, illustrated by concrete examples from practice, and accompanied, where relevant, by specific suggestions as to how the standard could be drafted or clarified.

Not all questions will be relevant to all respondents. Stakeholders are welcome to answer all, or only some, of the questions relevant to their experience and interest, and to indicate where a question falls outside their expertise. Each section opens with a short description of the element of the future standard it concerns, so that questions can be answered without specialist familiarity with ISSA 5000. Unless otherwise stated, references to "limited assurance" are to the assurance required under the CSRD framework, and references to "the practitioner" cover both statutory auditors and independent assurance services providers.

CONSULTATION QUESTIONS

1. APPLICABLE CRITERIA

The CEAOB technical advice defines as the applicable criteria for the assurance of sustainability reporting all the provisions of the ESRS and of the Taxonomy Regulation according to which the sustainability information shall be prepared and presented.

The ESRS are a fair presentation framework and the Taxonomy Regulation a compliance framework (paragraph 18.12 ADD).

As the applicable criteria are set by EU law, the practitioner is not required to determine whether they are suitable (paragraph 107 ADD; paragraphs 77–78 are identified as not applicable).

Question 1. How do you assess the approach specified above?

- ○ Appropriate as proposed
- ○ Appropriate but some clarifications would be helpful
- ○ Not appropriate
- ○ No opinion / unable to assess

If you consider that the approach needs clarification or modification, or is not appropriate, please explain why, indicate the paragraph(s) concerned and suggest how the approach could be clarified or amended:

2. SCOPE OF THE ASSURANCE ENGAGEMENT

The CEAOB technical advice retains the ISSA 5000 requirements on fair presentation without EU-specific changes.

When forming the conclusion, after assessing the risks and responding to risks of material misstatement regarding the implementation of all the provisions of the ESRS, the practitioner's evaluation entails a "stand-back" consideration of the overall presentation, structure and content of the sustainability information and of whether it represents the sustainability matters in a manner that achieves fair presentation (paragraphs 181-183, with application material in paragraphs A528-A529).

Question 2. Are the requirements and work expected from the practitioner in evaluating fair presentation in a limited assurance engagement using the ESRS as applicable criteria clear?

- ○ Yes, sufficiently clear
- ○ Partly clear
- ○ Not clear
- ○ No opinion /unable to assess

If you consider that the requirements are not clear, please explain what is unclear and why, indicate the paragraph(s) concerned and suggest how clarification could be provided:

The practitioner reads and considers "other information" – information not subject to the assurance engagement that is included in the document(s) containing the sustainability information and the assurance report – to identify material inconsistencies (paragraphs 18.39, 171-172).

The CEAOB technical advice specifies (paragraph 18.39 ADD) that "other information" does not include:

a) information other than contained in the management report in which information incorporated by reference is located (the information incorporated by reference is itself subject to the assurance engagement)

b) and reports of accredited independent third parties required by EU legislation

Question 3. How do you assess the approach specified above?

- ○ Appropriate as proposed
- ○ Appropriate, but some clarifications would be helpful

- Not appropriate
- No opinion / unable to assess

If you consider that the approach needs clarification or modification, or is not appropriate, please explain why, indicate the paragraph(s) concerned and suggest how the approach could be clarified or amended:

Where EU legislation requires a report by an Accredited Independent Third Party (AITP) on certain elements of the sustainability information, the CEAOB technical advice provides that the practitioner:

i. does not reperform the work of the AITP

ii. reads the AITP report to consider whether its content appears materially inconsistent with the evidence obtained in the limited assurance engagement

iii. where evidence is needed on those elements, may rely on the AITP report and shall use it as evidence, after having ascertained that the third party is accredited and that the scope of its report is consistent with the legal requirements

iv. and where an apparent material inconsistency is identified, informs management or those charged with governance and considers the implications for the assurance report (paragraphs 18.1 ADD and 55.1-55.3 ADD)

AITP reports are not “other information” (paragraph 18.39 ADD).

Question 4. How do you assess the approach specified above?

- Appropriate as proposed
- Appropriate, but some clarifications would be helpful
- Not appropriate
- No opinion / unable to assess

If you consider that the approach needs clarification or modification, or is not appropriate, please explain why, indicate the paragraph(s) concerned and suggest how the approach could be clarified or amended:

Supplementary information presented in the sustainability statement on a voluntary basis, as allowed by the ESRS, is part of the sustainability information, with the related ESRS requirements as the applicable criteria (paragraphs 18.55 and A20 ADD).

Where supplementary information is based on other legislation, standards or frameworks, these provisions are not part of the applicable criteria and their implementation is outside the scope of the limited assurance engagement addressed in the draft standard.

The CEAOB technical advice includes that the practitioner may state the above in the assurance report and indicate where the supplementary information is located (paragraphs A20 ADD and A551 ADD).

Question 5. How do you assess the approach specified above?

- ○ Appropriate as proposed
- ○ Appropriate, but some clarifications would be helpful
- ○ Not appropriate
- ○ No opinion / unable to assess

If you consider that the approach needs clarification or modification, or is not appropriate, please explain why, indicate the paragraph(s) concerned and suggest how the approach could be clarified or amended:

For disclosures under Article 8 of Taxonomy Regulation (EU) 2020/852, the proposed application material gives examples of further procedures that may be appropriate in response to assessed risks.

These include assessing whether the format meets the taxonomy reference framework, assessing eligibility or alignment conditions and technical criteria, checking calculations, reconciling relevant accounting data to the financial statements and considering consistency with other sustainability information (paragraphs 126L M, A427 ADD).

Question 6. Do you anticipate difficulties in applying these procedures in a limited assurance engagement?

- ○ No significant difficulties anticipated
- ○ Minor difficulties anticipated
- ○ Significant difficulties anticipated
- ○ No opinion / unable to assess

If you anticipate difficulties, please describe them and explain why they may arise, indicate the paragraph(s) concerned and suggest how these difficulties could be addressed:

Once the mark-up requirements will be applicable to the sustainability statements, the proposed standard requires the practitioner to understand the undertaking's preparation process and relevant controls, apply materiality to the marked-up information, assess risks relating to completeness, accuracy and machine readability, perform risk-responsive procedures, communicate identified misstatements and address the result in reporting and documentation (paragraphs 177.1-177.13 ADD).

Question 7. Do you anticipate difficulties in applying these procedures in a limited assurance engagement?

- ○ No significant difficulties anticipated
- ○ Minor difficulties anticipated
- ○ Significant difficulties anticipated
- ○ No opinion / unable to assess

If you anticipate difficulties, please describe them and explain why they may arise, indicate the paragraph(s) concerned and suggest how these difficulties could be addressed:

The CEAOB technical advice has identified several ISSA 5000 provisions that do not apply in the EU context (mainly those that apply only to reasonable assurance, and provisions that are superseded by EU law) and they are marked "not applicable" in the technical advice.

Question 8.1 Apart from provisions that apply only to reasonable assurance, are there provisions marked as "not applicable" that in your view should apply?

- ○ Yes
- ○ No
- ○ Don't know / no opinion / not applicable

If so, please list the paragraphs and briefly explain why for each of them:

Question 8.2 Are there any ISSA 5000 provisions that according to CEAOB's technical advice should apply which, in your view, should be marked as "not applicable" in the EU context?

- Yes
- No
- Don't know / no opinion / not applicable

If so, please list the paragraphs and briefly explain why for each of them:

3. THE ASSURANCE CONCLUSION AND REPORTING

The CEAOB technical advice requires a single limited assurance conclusion that addresses three elements separately, namely whether anything has come to the practitioner's attention that causes the practitioner to believe that:

a) the sustainability information is not fairly presented, in all material respects, in accordance with the ESRS

b) the disclosures under Article 8 of the Taxonomy Regulation are not prepared, in all material respects, in accordance with that Regulation

c) and the mark-up of the sustainability information is not prepared, in all material respects, in accordance with the applicable digital reporting requirements (paragraphs 190(c)(vi) and 198L).

The part of the conclusion required by subparagraph a) above includes the double materiality assessment process carried out by the entity to identify the information reported pursuant to the ESRS.

Question 9. How do you assess the approach specified above?

- Appropriate as proposed
- Appropriate, but some clarifications would be helpful
- Not appropriate
- No opinion / unable to assess

If you consider that the approach needs clarification or modification, or is not appropriate, please explain why, indicate the paragraph(s) concerned and suggest how the approach could be clarified or amended:

Where, at the undertaking's request, an engagement is conducted both under the EU limited assurance standard and another assurance standard, the CEAOB technical advice requires that:

a) the assurance report refers to the other assurance standard(s) in a separate section, if the wording specified by other assurance standard differs from the EU standard

b) and all provisions of the EU standard are applied, including implementing all the documentation requirements (paragraphs 197 M, 197.1-197.2 ADD)

Question 10. How do you assess the approach specified above?

- ○ Appropriate as proposed
- ○ Appropriate, but some clarifications would be helpful
- ○ Not appropriate
- ○ No opinion / unable to assess

If you consider that the approach needs clarification or modification, or is not appropriate, please explain why, indicate the paragraph(s) concerned and suggest how the approach could be clarified or amended:

4. MARKET READINESS

The CEAOB technical advice proposes that the EU limited assurance standard apply to assurance engagements on sustainability information reported for periods beginning on or after 15 December 2027, while permitting earlier application. (paragraph 15M).

Question 11. In your view, when should the EU limited assurance standard become mandatory?

- ○ Financial years beginning on or after 1 January 2027
- ○ Financial years beginning on or after 1 January 2028
- ○ A later financial year
- ○ Don’t know / no opinion / not applicable

Please explain your choice, indicating an estimation of the time needed for methodology changes, training, IT systems preparation, and whether earlier voluntary application would be useful or possible:

5. OTHER ISSUES

Are there any other aspects of the CEAOB technical advice, not covered by this questionnaire, that you wish to raise.

For each area below, please be as specific as possible and focus only on the corresponding aspect of the CEAOB technical advice, indicating also the paragraphs concerned.

All other issues that you would like to highlight should be covered separately in point 10 below.

1. Balance between double materiality assessment process and outcome:

2. Coordination with the statutory auditor:

3. Proportionality, costs and market readiness:

4. Distinction between limited and reasonable assurance work effort:

5. Content of the assurance report:

6. Potential additional add-ons or other modifications:

7. Format and content of the application material:

8. Format and content of the introduction section:

9. Introduced modifications to definitions:

10. Any other subject: