

Proposed 2025 Amendments to Climate and Assurance Standards

Survey response 21

Company Name

Deloitte

Should AP 4, AP 5, AP 7 and AP 8, which relate to the disclosure and assurance of scope 3 GHG emissions, be extended?

Yes - By two years (the XRB's proposal)

Please give a reason for your answer

In our previous submissions (to the XRB and MBIE), we have supported alignment with international reporting and assurance standards, as well as alignment around who has to report (legislative thresholds, where appropriate) and director / auditor liability settings. Given the size of New Zealand entities relative to their international counterparts, alignment in all areas with those proposed in key international jurisdictions, and with Australia in particular, will: - Provide investors with comparability of reporting, creating a more even playing field when accessing international capital or export markets, - Reduce the risk of regulatory arbitrage with Australia, and - Reduce the cost for complex international groups that comes from having to maintain information and reporting records in accordance with differing requirements across jurisdictions. Some of the issues noted by the XRB would be addressed by international alignment. For example, an IFRS S2 proposed amendment would exclude derivatives and other financial activities including those related to investment banking (facilitated emissions) and insurance and reinsurance underwriting (insurance-associated emissions) from disclosure of financed emissions. We note that decisions around international alignment are not yet finalised. As a result, we are supportive of further extensions to the transitional provisions while this is finalised, and to allow entities time to transition (if implemented). We encourage the XRB (and MBIE) to progress on these initiatives as any extensions beyond two years would put New Zealand out of alignment with Australia and other jurisdictions (particularly for larger entities) which may have unintended consequences.

Should AP 2, which relates to anticipated financial impacts, be extended?

Yes - By two years (the XRB's proposal)

Please give a reason for your answer

As noted in our previous response, we are supportive of further extensions to transitional provisions if this provides time to allow for international alignment in reporting and assurance standards, as well as alignment around who has to report (legislative thresholds) and director / auditor liability settings. We encourage the XRB (and MBIE) to progress on these initiatives as any extensions beyond two years would put New Zealand out of alignment with Australia and other jurisdictions (particularly for larger entities) which may have unintended consequences.

Any other comments

No