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ESMA

201-203 rue de Bercy

75012 Paris

29 May 2025

Dear Madam/Sir,

Deloitte welcomes the opportunity to respond to ESMA’s second consultation paper on regulatory and implementing technical standards for external reviewers of European Green Bonds. We support the need for assurance providers to design, implement and operate effective systems, resources and procedures for the firm and its personnel to fulfil their obligations and responsibilities in accordance with professional standards and applicable legal and regulatory requirements.

As statutory auditors under EU Law, we are already subject to extensive existing regulation and oversight. Audit and independent assurance providers are required to comply with existing obligations set out across a range of professional standards, laws and regulations. This includes an internationally recognised quality management standard known as International Standard on Quality Management (ISQM) 1 and related existing ethical and independence requirements and existing engagement performance standards such as the International Standard on Assurance Engagements (ISAE) 3000 (Revised). Once effective from periods beginning on or after 15 December 2026, providers will also need to comply with the International Standard on Sustainability Assurance (ISSA) 5000 when performing assurance over sustainability matters.

Of specific relevance to the topics covered in this consultation is ISQM 1, which provides requirements to design, implement and operate a system of quality management for performing audits, assurance or related services engagements, which would include the performance of pre-issuance reviews, post-issuance reviews and impact report reviews as stipulated in Regulation (EU) 2023/2631. The system of quality management as required by ISQM 1 and related ethical requirements applies to our firms through member state/national rules or guidance and/or their commitment to apply these standards as members of the Forum of Firms.

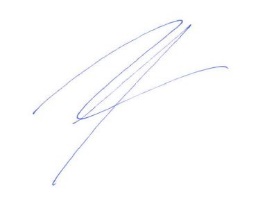
In January 2025, the European Commission presented the Competitiveness Compass, a new roadmap to restore Europe’s dynamism and boost EU economic growth. The ESMA draft proposal for an external reviewer to implement an alternate assessment framework, which would operate in parallel to what audit and independent assurance providers have already implemented in terms of auditors’ registration and a robust system of quality management as required under ISQM 1, will create new red tape, additional administrative burden and greater cost for issuers of EU Green Bonds. This is contrary to the aims of the European Commission’s Competitiveness Compass to boost the EU’s competitiveness, including removal of red tape.

We have responded to the questions in the consultation and consider the requirements in ISQM 1 create a system of quality management that achieves the objectives of the draft Technical Standards.

We therefore strongly recommend that the final Technical Standards explicitly recognise the comprehensive system of quality management as required under ISQM 1 that audit firms and other assurance providers have already implemented rather than creating parallel systems that duplicate existing quality management requirements as recognized under EU law, which will create new red tape, additional administrative burden and greater cost for issuers of EU Green Bonds.

If you have any questions or would like to discuss any point, please contact Pablo Zalba, Managing Director EU Policy Centre ([pzalba@deloitte.es](mailto:pzalba@deloitte.es)) or Niall Walsh, Global Assurance Quality and Risk Leader ([niwalsh@deloitte.ie](mailto:niwalsh@deloitte.ie)).

Yours sincerely,

Pablo Zalba Niall Walsh

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