

Title : Directions for the Implementation of Assurance Institutions for the Sustainability Report of TWSE/TPEX Listed Companies

Date : 2024/04/23

Point 1

These Guidelines are established jointly by Taiwan Stock Exchange Corporation (the “TWSE”) and Taipei Exchange (“TPEX”) in accordance with Article 5, Paragraph 1 of the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies and the Rules Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies (collectively the “Governing Rules”).

Point 2

The CPA and the accounting firm that the CPA is affiliated with accepting an assurance engagement on the sustainability metrics by industry under Article 4, Paragraph 2 of the Governing Rules shall satisfy the following qualifications and criteria:

1. The accounting firm must satisfy the following requirements:
 - A. Has established a sustainable development-related department for two years or more.
 - B. Has two years or more of experience in relevant assurance of or assistance in sustainability reports.
 - C. Has established a quality control system that shall comply with the quality control guidelines for accounting firms published by the Accounting Research and Development Foundation (ARDF).
2. The CPA must have the following qualifications:
 - A. Has two years or more of experience in conducting assurance of or assistance in sustainability reports.
 - B. Has attended courses on regulations for sustainability reports or assurance guidelines for more than 20 hours in the most recent two years.

Point 3

The institution responsible for greenhouse gas assurance under Article 4-

1, Paragraph 3 of Governing Rules and the lead verifier and CPA issuing the written opinion shall satisfy the following qualifications and criteria:

1. The assurance institutions must satisfy one of the qualifications and criteria:
 - A. Has obtained the permit for verification institution issued by the Ministry of Environment, R.O.C. (Taiwan).
 - B. In addition to the qualifications under Point 2, Paragraph (1), an accounting firm should have one year or more of experience in assurance of or assistance in Greenhouse Gas (GHG) inventories:
2. The staff of the assurance institutions must have one of the following qualifications:
 - A. The lead verifier of the verification institution should be a qualified registrant with the Ministry of Environment.
 - B. In addition to the qualification requirements under Point 2, Paragraph (2), a CPA should have the following qualifications:
 - a. Has one year or more of experience in greenhouse gas assurance or assistance.
 - b. Has attended courses on Greenhouse Gas (GHG) inventory or assurance for more than 20 hours in the most recent two years.

Point 4

A CPA approved to issue written opinions on sustainability metrics by industry is required to attend the courses on the regulations and assurance guidelines for sustainability reports for at least 10 hours every year. A CPA approved to issue written opinions on greenhouse gas assurance is required to attend courses on greenhouse gas for at least 10 hours every year. Information about continued training shall be reported to the TWSE and TPEX by the end of January of the following year.

Point 5

An assurance institution satisfying the requirements of these Guidelines shall file an application with the TWSE and TPEX by submitting the application form and the attachments showing the institution and its staff have met the qualifications. It shall not issue a written opinion on sustainability metrics by industry or greenhouse gas unless it has obtained the approval.

Point 6

An approved assurance institution should act in accordance with the following requirements when there are changes to its staff:

1. When there is a new CPA or lead verifier, the person must satisfy the qualification requirements under these Guidelines, and the assurance institution that they are affiliated with should file an application with the TWSE and TPEX by submitting an application form and the attachments.
2. In the event of a reduction of staff, the assurance institution that the former staff was affiliated with is required to report the reduction to the TWSE and TPEX within 10 days from the date of reduction.

Point 7

Written opinions under these Guidelines shall comply with the following requirements:

1. The assurance standards for sustainability metrics by industry under Article 4 of the Governing Rules must be consistent with TWSAE (Taiwan Standard on Assurance Engagement) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, published by the ARDF, and ISAE (International Standard on Assurance Engagements) 3000 published by the International Auditing and Assurance Standards Board (IAASB).
2. The greenhouse gas assurance standards under Article 4-1 of the Governing Rules shall be consistent with one of the following standards, except that where some of the operating locations of a TWSE or TPEX listed company are a source of greenhouse gas emission with its amount of emissions subject to inventory and registration requirement as published by the Ministry of Environment, the applicable regulations shall be complied with:
 - A. TWSAE3410, Assurance Engagements on Greenhouse Gas (GHG) Statements, published by the ARDF, or ISAE 3410, Assurance Engagements on Greenhouse Gas (GHG) Statements, published by the IAASB;
 - B. ISO 14064-3, published by the International Organization for Standardization (ISO).

Point 8

The CPA and lead verifier shall issue an integrated written opinion on greenhouse gas and shall, together with the assurance institution that they are affiliated with, be responsible for the contents thereof; provided that where some of the operating locations of a TWSE or TPEX listed company have obtained a verification statement in accordance with the Ministry of Environment regulations, the CPA when issuing a written opinion in accordance with Point 7, Paragraph (2), Subparagraph A of these Guidelines, may issue a shared audit opinion by referring to that statement.

Point 9

The TWSE and TPEX may request to access relevant information from the assurance institution or notify it to provide explanations and the assurance institution shall not refuse the request.

Point 10

In the event the assurance institution issuing a written opinion in accordance with these Guidelines and the CPA or lead verifier affiliated with the institution are found to have one of the following circumstances, the TWSE or TPEX may notify them to make a correction or improvement within a specified time, or, if the violation is serious, may temporarily refuse to accept or disagree to the opinion they are issuing for a certain period of time:

1. In violation of the requirements under Points 2 to 4, and 6 to 9 of these Guidelines.
2. Failing to effectively implement the quality control system without reasonable cause.
3. The CPA or lead verifier issuing the written opinion is in material violation of the law or ethical code of conduct and has therefore been punished by the competent authority.

Point 11

These Guidelines shall take effect on 1 January 2023 after having been submitted to and approved by the Competent Authority. Subsequent amendments thereto shall be effected in the same manner.