

Immediate release

Monday, 11 August 2025

ACCA calls for globally consistent accounting standards for carbon-related Instruments

High-level recommendations for sustainable development

ACCA (the Association of Chartered Certified Accountants) has long been committed to advancing sustainability through policy advocacy, standards development, and professional training. In collaboration with the Adam Smith Business School at the University of Glasgow, ACCA recently conducted global research which reveals significant inconsistencies in the accounting treatments of carbon-related instruments. This lack of a unified accounting framework undermines transparency and comparability, highlighting the urgent need for globally applicable guidance.

ACCA and the University of Glasgow analysed the annual reports of 300 companies across 10 high-emission sectors worldwide and published the report [Reality of accounting for carbon-related instruments](#). The research found that companies employ diverse accounting policies and terminology to account for carbon emissions, causing complexity and challenges for investors and companies alike. This arises in part because there is currently no International Financial Reporting Standard (IFRS) dedicated specifically to carbon-related instruments. These instruments, which include carbon allowances and carbon credits traded in carbon markets, are variously accounted for as intangible assets, inventories, financial assets, or other assets, using measurement bases ranging from cost to fair value. Such diversity in practice results in inconsistent financial reporting.

The report serves as a starting point to inform standard-setters and policymakers about the need for consistent accounting treatment and disclosures of carbon-related instruments. ACCA and the University of Glasgow advocate for the establishment of globally consistent standards that define the appropriate scope, recognition criteria, measurement approaches, and disclosure requirements. This will enable companies to faithfully reflect the nature, function, and intended use of these instruments and enhance the quality and comparability of sustainability-related financial information.

Christina So, Head of ACCA Hong Kong and Greater Bay Area (GBA) Lead, states: ‘Hong Kong Sustainability Disclosure Standards came into effect on 1 August this year, fully aligning with international standards and providing companies with a fundamental framework to strengthen the competitiveness of Hong Kong’s capital market. Sustainability is closely

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related to all industries, and there remains significant room for development in both depth and breadth. As advocates and leaders of sustainable development, accounting professionals can contribute to further enhancing the transparency and comparability of sustainability reporting. ACCA will continue to work hand in hand with the industry to strengthen sustainability reporting and disclosure practices.’

Separately, ACCA has published research on current sustainability reporting practices across the 10 member states of ASEAN. The report [Sustainability Reporting in ASEAN: An overview of current developments](#) reveals that Indonesia, Malaysia, Singapore, Thailand and the Philippines, which together represent approximately 85% of ASEAN's GDP, have expressed intentions to adopt the International Sustainability Standards Board (ISSB) IFRS Sustainability Disclosure Standards.

In addition, the report analyses the regulatory and reporting frameworks as well as implementation challenges related to sustainability in various regions. For example, Hong Kong has launched a sustainability disclosure roadmap requiring large publicly accountable entities (PAEs) to fully adopt ISSB standards by 2028, making Hong Kong one of the first regions globally to fully align with ISSB standards.

Despite differences in institutional arrangements among regions, the report also makes several recommendations:

1. Promote and adopt a unified sustainability reporting standard, grounded on the ISSB IFRS Sustainability Disclosure Standards and utilising a ‘building blocks’ approach with additional disclosure requirements as necessary.
2. Enhance professional capabilities by encouraging accounting bodies to provide targeted training for finance professionals on sustainability reporting requirements.
3. Establish a one-stop sustainability information platform to enable businesses to assess their carbon emissions and allow policymakers and regulators to implement and monitor national sustainability initiatives.
4. Increase representation on the ISSB’s board, consultative bodies, and other relevant bodies to ensure the voice of ASEAN governments and businesses is authentically reflected to influence global policymaking and standard-setting.

ACCA remains committed to collaborating with industry and policymakers to deepen transparency and comparability in sustainability reporting, reinforcing the role of accounting professionals as both advocates and leaders in driving sustainable development.

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About ACCA

We are ACCA (the Association of Chartered Certified Accountants), a globally recognised professional accountancy body providing qualifications and advancing standards in accountancy worldwide.

Founded in 1904 to widen access to the accountancy profession, we've long championed inclusion and today proudly support a diverse community of over **252,500** members and **526,000** future members in **180** countries.

ACCA now has over **29,000** members and **125,000** future members in China, with representative offices and contact points in 11 cities including Beijing, Shanghai, Guangzhou, Shenzhen, Chengdu, Shenyang, Qingdao, Wuhan, Changsha, Hong Kong SAR and Macau SAR.

Our forward-looking qualifications, continuous learning and insights are respected and valued by employers in every sector. They equip individuals with the business and finance expertise and ethical judgment to create, protect, and report the sustainable value delivered by organisations and economies.

Guided by [our purpose and values](#), our vision is to develop the accountancy profession the world needs. Partnering with policymakers, standard setters, the donor community, educators and other accountancy bodies, we're strengthening and building a profession that drives a sustainable future for all.

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