

**Draft Minutes of the 93rd Meeting of the
INTERNATIONAL ETHICS STANDARDS BOARD FOR ACCOUNTANTS
Held on September 16-19, 2025 in Lisbon, Portugal**

Voting Members

Present: Gabriela Figueiredo Dias (Chair)
Channa Wijesinghe (Vice Chair)
Saadiya Adam
Mark Babington
Vania Borgerth
Richard Huesken
Tomoyo Imura
Sung-Nam Kim
Héctor Lehuedé
Rania Uwaydah Mardini
Christelle Martin
Nancy Miller
Paul Muthaura
Luigi Nisoli
Obichukwu Nwazota
Amarjeet Singh
David Wray

Technical Advisors

Deepa Agarwal (Mr. Singh)
Keith Billing (Mr. Babington)
David Clark (Mr. Huesken)
Ellen Gorla (Ms. Miller)
Marta Kramerius (Mr. Nisoli)
Ki-Tae Park (Mr. Kim)
Natashia Soopal (Ms. Adam)
Bruno Tesnière (Ms. Martin)
Masahiro Yamada (Mss. Borgerth and Imura)
Belinda Zohrab-McConnell (Mr. Wijesinghe)

Non-Voting Observer

Present: Yohei Ito, Japanese Financial Services Agency (FSA)

Public Interest Oversight Board (PIOB) Observer

Present: Janine van Diggelen

IESBA and IFAC Staff

Present: James Gunn (Managing Director, Professional Standards) (Days 1-3), Ken Siong (Program and Senior Director), Linda Biek (Director), Rui Peres Jorge (Director), Geoffrey Kwan (Director), Kam Leung (Director), Laura Leal, Jon Reid, Szilvia Sramko, Carla Vijian, Jeanne Viljoen, Joanna Bernard, Joanne Holt, Elaine Cahoon (IESBA Staff Fellow), Astu Tilahun, Diana Vasquez
David Johnson (IFAC Communications)

1. Opening Remarks

Ms. Dias welcomed all participants and public observers to the third meeting of 2025. She extended a special welcome to Ordem dos Contabilistas Certificados (OCC Portugal) President Dr. Paula Franco, and the ISEG Dean, Professor João Duque. She expressed the Board's appreciation to Dr. Franco and Professor João Duque and their teams for their significant support in hosting the IESBA's 2025 Ethics and Independence Conference and the Board meeting in Lisbon. She also thanked the IESBA staff, particularly the IESBA Communications team, for their significant efforts in delivering a highly impactful conference. Ms. Dias then invited Dr. Franco to offer her remarks.

President Dr. Paula Franco, OCC

Dr. Franco welcomed the IESBA to Lisbon and expressed the OCC's honor in supporting the IESBA Conference and Board meeting. She highlighted the value of the IESBA Conference, noting the strong turnout from local and international participants, and the importance of international dialogue on ethical and independence challenges.

Dr. Franco referenced recent developments affecting the profession, including ethical risks arising from private equity investment in accounting firms and the need for strengthened governance and culture. She also acknowledged the IESBA's implementation support materials for the new sustainability-related standards and emphasized their importance for practitioners.

Dr. Franco concluded by thanking the Board for its leadership in developing and supporting the adoption and implementation of the new International Ethics Standards for Sustainability Assurance (including International Independence Standards) (IESSA). She expressed her hope that the week's discussions would advance key projects with depth and strategic vision.

Ms. Dias thanked Dr. Franco for her remarks and her support.

Ms. Dias then reminded the Board of its June 2025 decision to adopt a refreshed strategy, supported by the SMART framework, to strengthen stakeholder engagement and to resequence the Firm Culture and Governance (FCG) project by prioritizing supporting materials and stakeholder outreach ahead of an Exposure Draft. She noted that although outreach activity had been more limited in recent months, the period allowed for more focused and in-depth work, and the refreshed strategy had received strong support from stakeholders.

Ms. Dias emphasized the increased responsibility and scrutiny that come with this momentum, underscoring the need for consistent alignment with the strategic commitments in all aspects of the Board's and staff's work.

APPROVAL OF MINUTES

The IESBA approved the minutes of the June 2025 public session as amended.

2. Firm Culture & Governance

RECAP OF JUNE 2025 MEETING

Ms. Dias and Mr. Kwan introduced the session by reconfirming the IESBA's decision at its June 2025 meeting to resequence the FCG project's standard-setting and non-authoritative materials (NAM) workstreams. They reemphasized that this resequencing is not an abandonment of the FCG framework or

the standard-setting workstream. Instead, it represents the Board's commitment to conduct more research, pursue further stakeholder outreach and better communicate the public interest objectives of the project. To that effect, the IESBA in June 2025 supported the development of the IESBA viewpoints ("Viewpoints") which reflect the characteristics of the eight FCG elements identified in the project proposal ("FCG elements"). These Viewpoints would then serve as a tool for stakeholder engagement on the usefulness, clarity and proportionality of the characteristics of the eight FCG elements.

Ms. Dias and Mr. Kwan reiterated that the Board would consider the way forward on the FCG framework at its June 2026 Board meeting, taking into account feedback from the stakeholder engagement on the Viewpoints.

COORDINATION WITH IAASB

Mr. Kwan updated the Board on the ongoing coordination with the IAASB. With regards to the Viewpoints, Mr. Kwan and Mr. Huesken, Board Advisor to the project, noted the Project Team's approach not to include references to existing standards, whether in the Code or in the IAASB's ISQM 1,¹ and to explore potential linkages between the Viewpoints and ISQM 1 in other supporting material. As part of the coordination, Mr. Kwan noted that the IAASB liaison team had provided comments on the draft Viewpoints, and the Project Team would continue to seek IAASB input on the Viewpoints and other supporting materials as appropriate.

IESBA VIEWPOINTS

Mr. Kwan provided an overview of the Project Team's approach to the Viewpoints, namely that they are intended to be principles-based, high-level, implementable and actionable by firms and senior leadership to promote practical outcomes with regard to building and sustaining a strong ethical culture within firms. He noted that the Project Team did not include practical examples or specific processes in the Viewpoints, as these would be too granular and would vary from firm to firm. However, the Project Team would consider them as part of developing other supporting materials that would complement the Viewpoints.

Messrs. Huesken and Wijesinghe, Board Advisors to the project, added that the Viewpoints took into account the extensive input gathered from stakeholders, including during the 2025 FCG global roundtables and the information gathering phase leading to the FCG Working Group's Final Report.

IESBA members generally agreed that the Project Team had developed the draft Viewpoints in alignment with the Board's discussions at its June 2025 meeting. IESBA members also recognized the challenge in drafting these Viewpoints as the IESBA had not used them as a construct previously from a standard-setting perspective.

Among other matters, IESBA participants also made the following comments:

- The Viewpoints need to be set at a high-level so that they could be implemented by firms according to their circumstances.
- It is important that the IESBA first set a baseline without assuming that all stakeholders understand the eight elements of the FCG framework. Hence, the Viewpoints are a good starting point for that purpose.

¹ ISQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*

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- It should be up to firms to determine how to implement the Viewpoints.

Some IESBA members felt that the draft Viewpoints were too high-level and would not drive meaningful changes in behavior. There was also a concern that the Viewpoints as drafted may risk firms arguing that their existing practices already achieve the same outcomes as the Viewpoints.

In response to suggestions about adding good practices and use cases to make the Viewpoints more impactful and actionable, IESBA participants noted that:

- While the Viewpoints address the “why” and the “what” at a high-level, the “how” should be addressed as NAM or other supporting materials.
- The IESBA can only report what firms’ practices are, but it is not yet in a position to recommend good practices.
- If the Viewpoints were to incorporate examples, they would take longer to produce and might make the Viewpoints too daunting to some stakeholders.
- Case studies could easily invite disagreement by stakeholders.

After careful deliberation, the Board supported the Project Team’s approach of maintaining the Viewpoints at a high level rather than incorporating examples of good practices or case studies or guidance on how firms could implement the Viewpoints.

On the overall structure, format and content of the Viewpoints, IESBA participants made the following comments or suggestions:

- A suggestion to refer to the Viewpoints as principles, as the IESBA had not used “Viewpoints” as a construct previously. There was a view that the term “Viewpoints” seemed too weak a positioning and did not sufficiently convey the IESBA’s considerable efforts and extent of information gathered over the past two years.
- While it is helpful to use concise language, it is important that the terminology used is precise and clear. This would avoid stakeholders misinterpreting the Viewpoints as standards. In addition, in developing the Viewpoints, care should be taken to avoid using language that might give the perception of the IESBA setting requirements.
- The Project Team should consider if the Viewpoints are sufficiently outcome-oriented and whether more work may need to be done on the proportionality of some of the Viewpoints.
- The Viewpoints should be drafted in such a way as not to encourage a checklist approach.
- On the main target audience, the Viewpoints should be prepared with senior leadership in mind. However, it would also be helpful to open them up to other stakeholders.

The Board agreed that the Project Team should prepare an overarching document to articulate clearly the purposes of the Viewpoints to avoid stakeholders misinterpreting them as requirements or standards. Among other matters, the IESBA members also made the following comments:

- The draft Viewpoints seemed to resemble minimal requirements and therefore may give a perception that they are close to a standard-setting position.
- Being transparent about the nature and purposes of the Viewpoints and how they were developed would help address the risk of misinterpretation.

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- Conciseness may necessitate the use of short-hand terms, the meaning of which may not be immediately clear to stakeholders.
- The document should stress that ethics should be a consideration across all of a firm's decisions and activities from strategies to day-to-day activities.

Amongst other matters, the following comments or suggestions were also made by IESBA participants:

- The Project Team should socialize the Viewpoints with firms and professional accountancy organizations (PAOs).
- A suggestion for the IESBA to commission research beyond stakeholder outreach, as the project would benefit from evidence-based insights on how to create cultural change.
- The Project Team might consider using diagrams to convey the key messages.
- It would be helpful to test these Viewpoints with stakeholders and not to allow "perfect be the enemy of the good".

In response to a query about whether the Viewpoints and other supporting material should include material for those who are not professional accountants in public practice (PAPPs), Mr. Wijesinghe clarified that the project proposal outlines the scope of the project as being accounting firms. This specific scope responds to ethical failures within firms.

With respect to the individual Viewpoints on the FCG elements, there was a general consensus that the draft set of Viewpoints on Ethical Leadership was set at the right level, being principles-based, sufficiently high level, implementable and actionable across firms of varying types and across jurisdictions. In response to a query about potential duplication of content in other Viewpoints, Mr. Kwan explained that the Viewpoints on Ethical Leadership demonstrate the interconnectivity with the Viewpoints on the other FCG elements because of the role and importance of ethical leadership.

IESBA participants also made the following comments or suggestions on the Viewpoints, in addition to drafting refinements:

- Regarding Ethical Leadership:
 - Ethical leadership should be about the common good and not just making decisions that benefit oneself.
 - Terms such as "believe" should be avoided as they are not actionable or measurable.
- Regarding Oversight and Governance:
 - Having the appropriate governance structure is necessary in the longer-term interest of a firm, going beyond management tenure.
 - Including periodic reporting mechanisms at multiple levels will help firms with maintaining effective oversight.
- Regarding Provision of Independent Input:
 - Additional guidance on scalability considerations on this topic would be helpful.
 - In response to comments about using examples of sources of independent input in the draft Viewpoints, Mr. Huesken and Ms. Leal noted that these examples aimed to demonstrate the

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variability and scalability of how firms could achieve this, rather than providing specific examples of how firms should implement this.

- In the example given that firms that audit one or more public interest entities may consider appointing independent non-executives, the threshold may be too low to be included in the Viewpoint.
- Regarding Accountability Across the Firm:
 - The term “shared responsibility” is not clearly explained and may depend on the position an individual holds within a firm.
 - A suggestion to include additional examples of accountability mechanisms, such as channels to report ethical concerns and documentation to promote transparency.
 - The point on “being aware” is a state of mind that cannot be measured.
- Regarding Rewards:
 - It is questionable whether ethical behavior should be rewarded, as ethical behavior is expected. Also, rewarding ethical behavior above expectations may be problematic if those expectations are low. However, recognition and other informal incentives can also help drive behavior.
 - Compensation models that balance the “how” and “what” are more effective than those that only reward outcomes.
 - The term “rewards” may not be most appropriate one as it may focus too much on financial performance.
 - It may be useful to focus more on how firms embed ethical values in their performance management systems.
 - The use of the term “balance” may give a perception that it is a trade-off between ethical behavior and financial goals, while recognizing the importance of financial performance.
 - A suggestion that the Viewpoint focus on either incentives or disincentive mechanisms.
- Regarding Open Discussion and Challenge:
 - In responding to a suggestion to include more guidance on whistleblowing mechanisms, Mr. Siong suggested that this could be considered as a potential topic for other supporting material due to its level of granularity.
 - The concept of a psychologically safe environment should also highlight what should not be there, such as the fear of retaliation.
- Regarding Education and Training:
 - The content of this draft Viewpoint may be too prescriptive.
 - Highlighting the importance of leadership involvement in education and training programs helps to promote the tone at the top, create a platform for open discussion, and share leadership’s knowledge and experience with younger generations.
 - A suggestion to include monitoring systems to address examination cheating.

- A suggestion to make clear that ethical issues are not always black and white, and that the focus of the Viewpoints is on ethics education and training.
- Regarding Transparency:
 - It is important to communicate information that is valuable to a user, which may include consideration of the context and nuances of a particular situation.

OTHER SUPPORTING MATERIALS AND INITIATIVES

Mss. Leal and Holt provided an update on the Project Team's proposal for other supporting materials and initiatives for Q1 and Q2, 2026. Ms. Dias emphasized that the other supporting materials and initiatives should not only help the Project Team gather information and better understand how to refine the Viewpoints, but also help stakeholders understand more clearly the purpose and use of the Viewpoints.

FIELD TESTING

On the topic of field testing, IESBA members raised a number of matters that require further consideration, including the purposes of field testing, the number of Viewpoints that would be field tested, the suitability of the Viewpoints to be used for field testing, the time needed to properly field test the Viewpoints, and the scope and focus of the field testing (e.g., implementability or effectiveness). After deliberation, the IESBA agreed that it would be premature to consider such field testing given the nature of the Viewpoints and the fact that the FCG framework has not yet been developed. IESBA members also provided the following comments:

- Field testing is generally only conducted when there are more concrete standard-setting proposals.
- When developing a field test, it is important to consider factors such as sample size and representation to avoid drawing unnecessary criticisms on the relevance of such a test.
- The field test may involve identifying the current practices from different types of firms with respect to what and how things are done.

The IESBA agreed to resume the discussion once it has agreed the Viewpoints.

LINKAGES BETWEEN IESBA VIEWPOINTS AND ISQM 1

To address stakeholder queries, IESBA members agreed that it would be helpful to develop a document that would clarify the linkages between the Viewpoints and ISQM 1. Such clarification could also highlight the key differences, such as the FCG project's focus on fostering ethical culture in firms compared to ISQM 1's focus on quality management.

IESBA members also raised the following comments or suggestions, among others:

- The project's objective to develop an FCG framework is not intended to change ISQM 1 given that the project is about enhancing ethical culture across the whole firm.
- The linkage document should be clear about its purpose. Highlighting the linkages between the Viewpoints and ISQM 1 is different to addressing how the two complement each other.
- It is important that there is consistency in the wording used to describe the linkages between the Viewpoints and ISQM 1. For instance, "linkages with ISQM 1" has a different meaning to "complementing ISQM 1."

Draft Minutes of September 2025 IESBA Meeting
IESBA Meeting (December 2025)

- In developing the quality objectives and responses to quality risks when implementing ISQM 1, a firm might have implemented aspects of ISQM 1 across the whole firm and thus have met some aspects of the Viewpoints.
- A suggestion that the Project Team develop a draft paper that would illustrate the linkages between two of the Viewpoints and the relevant provisions in ISQM 1.

OTHER MATTERS

IESBA members generally agreed with the Project Team's proposal not to conduct a survey of firms.

IESBA members also raised the following comments or suggestions, among others:

- Since the Viewpoints are not standards, it would be useful to seek stakeholder input on how to address the risk that they might be perceived as requirements.
- The Project Team might consider the use of infographics to communicate the key messages.
- The different IESBA project teams should carefully coordinate the release of stakeholder surveys and other formal requests for stakeholder input in early 2026 to avoid overwhelming stakeholders and allow them sufficient time to give proper and timely feedback.
- A suggestion for the Project Team to keep exploring the impact of Private Equity Investments (PEI) on firm ethical culture through stakeholder engagement, especially with respect to jurisdictions where PEI activity is increasing.

PIOB OBSERVER'S REMARKS

Ms. van Diggelen noted that the PIOB continues to support the project and looks forward to how it will be advanced in light of the resequencing of the two workstreams. She stressed that a key consideration is how the Viewpoints will drive ethical behavior within firms and address the risk of loss of trust in firms, which was the driver for the FCG project. She reiterated the PIOB's view that there should be such an FCG framework in the Code to address the ethical behavior issues across the whole firm. However, she also suggested that the IESBA should also be careful not to overreach.

Ms. van Diggelen further commented that:

- Field testing the Viewpoints could provide insights into different good practices by firms, which could help inform the IESBA's work in developing practical guidance.
- The Viewpoints should be taken as a whole in order to effect change.
- There is a need to conduct root-cause analysis.
- A draft paper on the linkages between the Viewpoints and ISQM 1 would be helpful to stakeholders.
- It is important to keep the PEI topic on the radar so any significant developments can be considered in the development of the FCG framework.

WAY FORWARD

At the October 2025 virtual meeting, the IESBA will consider selected revised draft Viewpoints.

At its December 2025 meeting, the IESBA will consider the revised Viewpoints with a view to agreeing them for stakeholder engagement; a contextual piece explaining the background to and nature and purpose of

the IESBA Viewpoints; an overarching set of Viewpoints tying the eight other sets of Viewpoints together; a draft paper on the linkages between the Viewpoints and ISQM 1; and the Project Team's updated plan on the other supporting materials and initiatives.

3. Role of Chief Financial Officers (CFOs)

Ms. Dias introduced the IESBA's Role of CFOs workstream and noted its public interest importance as professional accountants in business (PAIBs) in CFO roles are the "first line of defense" and operate in a less regulated space, hence the need to determine whether the Code sufficiently guides PAIBs to address ethical issues.

Mr. Reid outlined the impetus for the workstream. He then provided an update on the Project Team's activities in Q3 2025, including initial desktop research on the evolving role of CFOs and the results of the Project Team's CFO pulse survey. He also outlined the draft Project Team Terms of Reference (ToR), and its indicative stakeholder engagement plan.

Mr. Wray, Board Advisor to the Project Team, noted that CFOs are uniquely placed due to the dynamic environment in which they operate. He observed that PAIBs do not have the same ethical support and protections as PAPPs, creating greater vulnerability to ethical challenges. He highlighted certain statistics from the pulse survey:

- 60% of respondents did not feel fully equipped to deal with ethical challenges;
- 70% relied on internal codes of conduct which are generally not as robust as the Code; and
- 70% have not faced ethical challenges in the last five years, raising questions as to whether ethical issues are readily identified and managed effectively in the public interest.

Among other matters, IESBA members raised the following comments or suggestions:

- While the CFO role has evolved and expanded, part of the role's remit might be regulated whereas other parts might not be, meaning clarity is required on whether the workstream will consider the ethical framework with respect to regulated aspects, or the full role.
- The evolution of the CFO role is not new. Twenty years ago, discussions revolved around them becoming strategic partners and involved in additional functions beyond finance as highlighted by a reference in the Board papers.

Mr. Wray noted that this reference was historical but other references are from the last few years, reflecting the rapid geopolitical, geoeconomic, and technological movements that did not exist 20 years ago.

- CFOs are often part of the top management and subject to legal responsibilities in corporate governance codes. It is important to understand the landscape across jurisdictions and sectors (public and private), including how jurisdictional corporate governance codes, legal requirements, and oversight mechanisms supplement or interact with the Code, and whether there are gaps between such requirements and those in the Code.
- With respect to the CFO pulse survey results:
 - The sample is weighted towards certain jurisdictions, namely Italy and France, and whether jurisdictional nuances influenced the results with respect to the high proportion of non-professional accountants (non-PAs) undertaking CFO roles.

Mr. Wray noted that the CFO pulse survey was distributed to multiple jurisdictions, but was done in a short period of time, which might have impacted response rates from certain jurisdictions. Mr. Siong added that the pulse survey does not provide global representation and the Project Team's further research and the planned roundtables would provide a deeper understanding of the landscape.

- 38% of PAs reported being unaware of a code of ethics, highlighting a significant awareness and education gap. Most PAs are PAs in business, whereas stakeholders' focus is usually on accounting firms. This workstream would provide a good opportunity to raise awareness for PAIBs.

Mr. Siong agreed that the awareness gap is a concern but noted the importance of defining the gap before attributing a cause, for example, whether respondents are members of IFAC member bodies. He added that if an awareness gap is established, it will require efforts beyond the IESBA, including partnerships and collaborations with various stakeholders.

- Whether the one-third of respondents who are PAs represented the 40% that felt fully equipped to deal with ethical challenges, in which case the Code might be effective. PAOs might have case studies or data on ethical issues faced by PAIBs.

- With respect to non-PAs undertaking CFO roles:

- Whether the Code remains fit for purpose and fully serves the public interest if it only applies to a minority of individuals who undertake CFO roles.

Mr. Wray noted that the public interest impact is the same whether a PA or non-PA undertakes the role, but the concern is that different parts of the CFO community are subject to different ethical rigor. He added that further research would provide better data on jurisdictional differences and would likely reveal that in some jurisdictions, CFOs are not PAs to avoid regulatory exposure or risk.

Mr. Siong added that during its deliberations, the Board should also consider the alternative perspective some stakeholders might hold that having PAs being subject to stricter requirements might drive some of them away from the profession.

- Whether the IESBA's mandate enables consideration of covering non-PAs. In this regard, it was noted that this workstream is different to the IESBA's Sustainability Project and sustainability assurance. It was suggested that the Project Team establish an understanding of the CFO landscape across PAs and non-PAs, without focusing on revising the Code at the outset, but to inform future decisions with greater evidence.

Ms. Dias noted that no decision is being made now as to whether the IESBA will undertake a project that would cover non-PAs. She added that if the IESBA considers this in the future, engagement with jurisdictions and companies would be required to determine if there is support and appetite for such a project.

- The proportion of non-PAs in CFO roles in the US is high due to PA licensing requirements and associated oversight, continuing education, and potential legal liabilities. It was suggested that the Project Team seek to understand jurisdictional differences relating to impediments to being a PA, reasons for not requiring PAs to undertake the role, and oversight of PAs and non-PAs.

- It is important to engage with stakeholders beyond the accounting profession, including corporate governance bodies and company boards, to consider whether public interest expectations are addressed consistently among PAIBs and non-PAs.
- Whether the IFAC PAIB Advisory Group has information and statistics on PAs vs non-PAs undertaking CFO roles.
- With respect to the draft ToR:
 - Suggestions to refine the terminology and scope as the term CFO is too narrow. For example, in large organizations, there might be a CFO on the board but other CFOs throughout the group leading divisions or geographies, and senior finance leaders might have a variety of different titles.
 - The objectives, focus, and approach should be aligned for consistency, including with respect to exploring the landscape of non-PAs in CFO roles and whether the Code requires enhancement or whether NAM could be sufficient.
 - Consideration should be given to whether the list of stakeholders for engagement is broad enough, with a suggestion to add CFO associations to the list.
 - It should be made clear that further research and surveys will be undertaken to better understand the CFO landscape and the involvement of PAs and non-PAs.

Ms. Vijian presented a revised ToR addressing the above comments and the Project Team's objectives to:

- (a) Gather information with a view to identifying and understanding the ethics issues and challenges faced by individuals in CFO (or equivalent senior finance) roles in the private and public sectors;
- (b) Consider whether the Code remains fit for purpose in addressing the CFO's ethical responsibilities;
- (c) Consider the need for NAM or other initiatives;
- (d) Collect information and feedback about non-PAs who undertake CFO roles to inform any future IESBA workstream; and
- (e) Provide a report and recommendations to the IESBA in September 2026.

The IESBA considered and approved the ToR.

PIOB OBSERVER'S REMARKS

Ms. van Diggelen noted the importance of the workstream to reinforce the ethical requirements in the Code (including recent revisions) for PAIBs and to address clear public interest issues. She also noted the aspiration for preparers of financial and sustainability information to act ethically and in the public interest, as well as to ensure that there are no gaps with respect to the applicability of the Code or that challenges in applying the Code are addressed. She agreed with the Project Team's proposed extended survey, targeted outreach, roundtables, as well as exploring corporate governance code requirements, to support evidence-based decisions. She cautioned that any future decision to explore expanding the Code to non-PAs would require thorough identification and consideration of risks, implications, and jurisdictional nuances.

WAY FORWARD

The IESBA will consider an update from the Project Team at its December 2025 meeting.

4. CIVs

Dr. Biek and Ms. Viljoen provided a summary of the key feedback received from respondents to the IESBA Consultation Paper (CP), [Collective Investment Vehicles and Pension Funds – Auditor Independence](#), along with the Project Team's preliminary analysis of the comments.

IESBA members recognized both the significance and complexity of this workstream, emphasizing its alignment with the public interest. Among other matters, IESBA members raised the following:

- There is a lack of evidence that systemic independence deficiencies exist; the conceptual framework and related entity definition continue to be suitable and adequate.
- Differences in interpretation and application across jurisdictions are primarily due to variations in local regulatory environments.
- The evidence supports taking action that would promote clarity and consistent application of the conceptual framework.
- It would seem preferable to develop NAM or similar explanatory guidance to promote consistent application of the Code in relation to complex fund structures instead of amending the Code. The guidance should reflect stakeholder feedback from the consultation and could include illustrative scenarios demonstrating how the conceptual framework could be applied when auditors assess independence with respect to Investment Schemes.
- Future research may include other types of investment vehicles, such as private equity or hedge funds, to promote consistent application of the Code across the investment sector.
- Conducting further information gathering may help clarify stakeholder concerns and identify situations where more explanatory material could be beneficial. There was general agreement that such efforts should remain focused, proportionate and timely.

In light of the preliminary analysis of the significant comments to the CP and the discussion, the Board on balance expressed support for the Project Team to continue its work and undertake a deeper analysis of the CP responses, with a view to presenting its report and recommendations to the Board at the December 2025 IESBA meeting.

PIOB OBSERVER'S REMARKS

Ms. van Diggelen commended the Board for considering the feedback from respondents to the CP and prioritizing the public interest. She supported the IESBA commissioning the development of non-authoritative guidance instead of immediately launching a standard-setting project. She encouraged the Project Team to further review the stakeholder input, especially from regulators and investors, to address any perceived independence threats. She emphasized that the PIOB viewed this project as an opportunity to reinforce confidence in applying the Code to complex investment structures.

WAY FORWARD

The Project Team will further analyze the CP responses to better understand stakeholder perspectives on the matters under consideration, especially those areas where clarification could enhance consistency in

applying the Code. The results of this work will be summarized in a report, including recommendations, for consideration by the Board at its December 2025 meeting.

5. Profession-agnostic Part 4B

Mss. Sramko and Cahoon presented the proposed Terms of Reference (ToR) for a new Project Team focusing on independence provisions for sustainability assurance engagements (SAEs) outside the scope of the International Independence Standards (IIS) in the IESSA.

Mr. Babington, Board Advisor to the Project Team, highlighted the importance of understanding what is occurring outside the largest engagements. He noted that while some jurisdictions are already moving forward with mandatory sustainability reporting and assurance, legislative frameworks in many others have yet to evolve. He stressed the need for targeted outreach to understand what the rest of the market looks like and to identify the issues the Project Team may need to address. Ms. Miller, Board Advisor to Project Team, recognized the challenges related to any information gathering effort, particularly given recent developments in how jurisdictions have been responding to sustainability assurance. However, she emphasized the benefits of the information gathering to the Project Team's and IESBA's work.

Ms. Dias observed that voluntary sustainability reporting was likely to exceed mandatory reporting in both volume and growth. She noted that, given the way reporting practices have been evolving, movement has shifted back to voluntary reporting, and understanding the voluntary landscape has become increasingly important to the IESBA's work.

Mr. Siong added that questions had been raised previously about whether the Board had sufficiently addressed the population of engagements outside the scope of the IIS in the IESSA, given the large variety and volume of voluntary SAEs performed globally. He believed that not covering these engagements and underscoring the importance of understanding and addressing this segment of the market could present a public interest consideration.

The IESBA generally supported the Project Team's proposed objectives and planned information gathering activities. IESBA members made, among others, the following comments and suggestions:

- It may be challenging to reach providers who are not PAs and ~~to achieve~~ meaningful visibility among them, given the deregulation trend in certain jurisdictions and the International Accreditation Forum's (IAF) pause in its efforts to adopt the Code.

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In this regard, there were suggestions for:

- Targeted outreach to groups or organizations such as the IESSA Implementation Monitoring Advisory Group (IIMAG), the IAASB's ISSA 5000² Technical Implementation Contact Group, the TIC Council, AccountAbility, and the National Accreditation Board for Certification Bodies (NABCB) in India.
- Seeking input from larger organizations to broaden representation and focusing on jurisdictions with significant voluntary sustainability reporting and assurance activity (e.g., South Korea).
- Recognizing the shifting regulatory landscape, which criteria the Board needs to consider to determine whether or not the independence standards should be profession-agnostic.

² International Standard on Sustainability Assurance (ISSA) 5000, *General Requirements for Sustainability Assurance Engagements*

Ms. Dias emphasized the need for clarity on these criteria, recognizing that past actions (e.g., the development of the IESSA) were driven by public-interest factors such as the need for a level playing field among sustainability assurance practitioners, and investor protection.

Mr. Siong clarified that, as a first step, it would be necessary for the IESBA to understand the applicable assurance standards used by non-PA assurance providers, since the Code is most relevant when assurance providers use the IAASB's profession-agnostic ISSA 5000 and ISAE 3000³ as opposed to other assurance frameworks where the Code is not a baseline. He recommended that the IESBA consider commissioning academic research to better understand the non-PA landscape and the extent to which they use the Code. He noted that insights from such independent research could be different from those obtained from IFAC's general "State of Play" research.

Mr. Ito suggested that the IESBA take into account the issues and challenges raised in relation to the implementation of the IESSA if it were to agree to develop independence standards for all SAEs.

APPROVAL OF THE TERMS OF REFERENCE

The IESBA approved the ToR with a few refinements in light of the Board discussion.

PIOB OBSERVER'S REMARKS

Ms. Van Diggelen expressed her support for the IESBA's consideration of extending the application of the Code to non-PAs and to all SAEs, including voluntary engagements.

WAY FORWARD

The IESBA will consider an update on the Project Team's activities and preliminary findings at its March 2026 meeting.

6. Adoption & Implementation, Including IIMAG

IESBA A&I WORKING GROUP (A&I WG) UPDATE

Mr. Singh, Chair of the A&I WG, introduced the session, noting that despite the increasing global headwinds around sustainability disclosures, the WG continued to make good progress and had met nine times in 2025. Mr. Reid outlined the A&I activities since June 2025, including:

- Publication of IESBA Staff documents on a summary of prohibitions in the IESSA, key differences between the IESSA and Part 4A of the Code, sustainability explainer videos, IESBA Staff Q&As for the Experts standard, and a new document highlighting the proportionality in the IESSA.
- Engagement with IFAC (including the submission of the IESBA's response to IFAC's Statements of Membership Obligations (SMOs) exposure draft on August 1, 2025), the IAASB, International Sustainability Standards Board (ISSB), International Accreditation Forum (IAF), Jurisdictional Standard Setters (JSS), and the Stakeholder Advisory Council (SAC).

Mr. Muthaura provided an update on the August 2025 IFAC Connect in Kenya co-convened with the Pan African Federation of Accountants (PAFA) and the Institute of Certified Public Accountants of Kenya. He reported that the conference assembled a broad range of stakeholders to discuss alignment to global

³ International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*

sustainability assurance and ethics frameworks. The conference also strengthened networks among PAFA, regulators, and local professional bodies. He added that it provided an opportunity to emphasize the IESBA's A&I focus and accelerated national commitments towards adoption of ISSA 5000 and the IESSA.

Ms. Cahoon highlighted the A&I WG's completion of draft profiles for the 17 prioritized jurisdictions and its consideration of prioritizing additional jurisdictions raised at the June 2025 IESBA meeting (i.e., Colombia, Peru, Argentina, Mexico, Turkey, China, and Canada). She noted that given resource constraints, the WG would pause before expanding the list of prioritized jurisdictions while remaining flexible to account for developments.

Mr. Singh noted that the draft jurisdictional profiles are dynamic and extremely valuable to understand the state of play and tailor outreach strategies. He added that the WG has currently categorized the jurisdictions as:

- No specific outreach proposed at this stage (Australia, New Zealand, UK, and France);
- Outreach approach under development (Italy, Japan, Kenya, Korea, Nigeria, Malaysia, South Africa, and Singapore); and
- Planned outreach underway (India, Brazil, Qatar, Saudi Arabia, UAE).

Ms. Vijan additionally provided an update on A&I of the IESBA's Tax Planning and Related Services standards, highlighting the growing adoption momentum and the close monitoring by IESBA staff of jurisdictional A&I activities. She summarized recent significant IESBA outreach to raise awareness of the standards and to emphasize the profession's role in ethical tax planning, including conferences, workshops, webinars, and regional sessions. She also described recent communications initiatives, including jurisdictional highlights, and quiz and myth-vs-fact campaigns.

Mr. Singh thanked IESBA members and Technical Advisors for their assistance with developing the jurisdictional profiles. He also noted that the WG was considering developing an IESBA partnership framework for promoting A&I, as well as IESBA input and support in identifying partners.

In addition to broadly supporting the A&I WG's work plan and the jurisdictional profiles and outreach strategies, IESBA members raised the following comments, among others:

- The work plan, jurisdictional profiles and outreach strategies demonstrate maturity and responsiveness to stakeholders.
- It would be important to collect data on jurisdictional adoption to demonstrate global coverage.
- New Zealand has issued an exposure draft based on the IESSA and has requested a presentation during an upcoming webinar in October 2025.

IIMAG UPDATE

Mr. Nisoli, IIMAG Chair, provided an update on the composition of the IIMAG and the IIMAG's inaugural meeting in July 2025. Both Messrs. Nisoli and Singh emphasized the close coordination between the IIMAG and the A&I WG.

IESBA members welcomed the update. There was a recommendation that the IIMAG include additional members who are non-PA practitioners so that the IESBA could better understand the specific implementation challenges non-PAs might be facing.

Mr. Ito noted that sustainability assurance practices have still been evolving, and implementation issues might not be apparent for a while. He suggested that the IESBA continue to focus on the A&I of the IESSA and prioritize developing supporting materials to help implementation for all and avoid fragmentation of standards.

WAY FORWARD

The IESBA supported the A&I WG's proposed way forward, including focusing on developing tailored outreach approaches for prioritized jurisdictions, seeking and leveraging partnerships, and considering additional jurisdictions. A further update on A&I activities will be provided at the December 2025 IESBA meeting.

The IESBA will also consider a further update from the IIMAG in December 2025.

PIOB OBSERVER'S REMARKS

Ms. van Diggelen commended the A&I WG for its valuable and impressive work to date and encouraged the IESBA to continue considering how to best respond to any significant A&I challenges through its "rapid response mechanism," as highlighted in the PIOB's public interest issues document. She noted that such responsiveness is particularly important in supporting the A&I of the sustainability standards.

7. Technology

Ms. Dias introduced the agenda item and emphasized the growing importance of ethics in technology. She noted that the IESBA had already developed revised technology-related provisions in the Code and significant guidance and thought leadership in this space. She stressed the need to leverage these resources proactively.

The IESBA considered presentations from (1) Angelo Giardina, IAASB Principal, Ida Diu, IAASB Senior Manager, and Kevin Reinhardt, IAASB Staff Fellow, and (2) Ramana McConnon, Head of Assurance at the UK Financial Reporting Council (FRC), on the IAASB's and FRC's respective technology-related initiatives. IESBA members welcomed the presentations and, among other matters, raised the following:

- The need for agility given the rapid pace of artificial intelligence (AI) adoption, and whether continuous outreach is required to capture developments in real time.
- Concerns about "execution before governance" in the market, with risks of significant failures if adoption outpaces safeguards.
- Emphasis on maintaining human-centric oversight, while recognizing pressures toward greater automation.
- Ethical implications for professional competence, skepticism, and judgment when using AI outputs.
- Recognition that existing Code provisions already apply, but further education and communication are needed to ensure consistent understanding among PAs.

IESBA members further reflected on the IESBA Conference Technology panel, noting:

- Broad optimism that technology can strengthen ethics, audit quality, and professional relevance.
- Agreement on the importance of trust, accountability, confidentiality, and independence as the profession's "shield."

- A call for nimble outputs (such as podcasts, short guidance and thought pieces) rather than lengthy standard-setting, given the pace of change.
- The importance of repositioning existing IESBA resources and reminding stakeholders of prior guidance.

PIOB OBSERVER'S COMMENTS

Ms. van Diggelen expressed appreciation for the dialogue and underscored the significant responsibility of the IESBA in addressing ethical challenges arising from rapid technological advancements, particularly those associated with AI. She stressed the need for ongoing vigilance to safeguard fundamental principles such as professional competence and due care, and, where applicable, independence. She also stressed the importance of the effective use of the Code's conceptual framework to proactively assess emerging risks, rather than relying on reactive regulatory measures.

She also drew attention to the potential impact of increased AI dependence, cautioning that it may diminish the application of professional skepticism and the exercise of professional judgment—elements essential to maintaining ethical standards. Furthermore, Ms. van Diggelen highlighted the importance of providing timely and accessible IESBA guidance to ensure practitioners consistently apply ethical principles amid an evolving landscape.

She commended the Board for recognizing the urgency of AI-related risks and encouraged continued proactive coordination with the IAASB and others to ensure coherence across the standard-setting ecosystem.

WAY FORWARD

The IESBA will consider a further update from the Technology Working Group on its activities at the December 2025 meeting.

8. Strategy & Workplan 2028-2031

Mr. Kwan and Ms. Sramko introduced the proposal from the IAASB and IESBA joint Strategy and Work Plan (SWP) Working Group⁴ to develop a joint stakeholder survey (joint survey), marking the initial phase of the strategic planning process for 2028-2031.

IESBA participants generally recognized the advantages of, and expressed support for, the IAASB and IESBA (collectively referred to as the Standard Setting Boards, or SSBs) to initiate a joint survey. They also supported the proposal that the SSBs conduct additional outreach activities alongside the joint survey to enhance and complement the consultation process.

Among others, they raised the following matters regarding the approach to the joint survey:

- A few IESBA members suggested that the joint survey address the ongoing concerns from some stakeholder groups about the perceived complexity of the Code, including soliciting feedback on sections that may no longer be needed. In line with the goal of simplification and recognizing that the standards are principles-based, durable constructs, Mr. Siong advised the IESBA to focus instead on encouraging stakeholders to identify areas where they may need further implementation support. In this regard, an IESBA member pointed out that the upcoming post-implementation review of the

⁴ The SWP Working Group consists of the Chair, Vice Chair and another member of both IAASB and IESBA.

Restructured Code might serve as a more appropriate avenue for gathering stakeholder feedback and evaluating concerns about the perceived complexity of the Code.

- A few concerns were raised that survey responses may be more relevant to the IAASB than the IESBA. Ms. Dias and a few IESBA members noted the IESBA's and IAASB's different mandates and the IESBA's engagement with a wider array of stakeholders. They therefore advocated for the online survey to be designed in an inclusive way, ensuring that a broad spectrum of stakeholders – such as CFOs, preparers, and those outside the audit industry - feel invited to participate and share their perspectives.
- The survey should combine bottom-up (i.e. open-ended input) and top-down (i.e. driven from Board experience) information gathering. IESBA members felt that the IESBA's expertise should guide the options for moving forward, and the Board cannot rely solely on open-ended responses.

Ms. Dias reiterated that the IESBA would carefully deliberate and analyze the trends and feedback from stakeholders, using, for example, the SWOT or PESTEL framework, as part of the strategic planning process for the period 2028-2031

- Some IESBA members highlighted the importance of timing, noting that stakeholder input may become outdated over time due to geopolitical or social changes. Given the fast-changing environment, they agreed that the survey should focus on high-level trends, not on strategy, and be responsive to a volatile, uncertain, complex, and ambiguous environment. They also stressed the importance of the IESBA remaining flexible so that it can adjust its priorities and reallocate resources as needed.

Mr. Ito also voiced his support for the joint stakeholder survey, noting that it would highlight the strong collaboration between the two Boards. He suggested that the SSBs consider engaging in open discussions with stakeholders to discuss the survey findings together.

Mr. Gunn noted that compared to formal consultations, a survey provides an easy and quick tool for engagement with a broad group of stakeholders, for example, investors, on high-level issues. Therefore, he emphasized the importance of making the online survey user-friendly and simple to navigate.

The IESBA also discussed and commented on the following proposed elements of a joint survey:

JOINT VALUE PROPOSITION

IESBA members generally supported that the SSBs develop a joint value proposition, as advised by the Stakeholder Advisory Council (SAC), and ask for stakeholders' feedback on the value proposition via the joint survey. There was a view that instead of asking stakeholders' views about the SSBs' values and contributions from the stakeholders' perspective, the SSBs should develop their own joint value proposition for consultation. Ms. Dias agreed with the proposed way forward.

A few IESBA members raised the challenges related to drafting and agreeing on the text of a joint value proposition for both Boards. There was a question as to whether a joint value proposition could address the different mandates and stakeholders of the IAASB and IESBA. They recommended that, in addition to the joint elements relevant to both Boards, the joint value proposition should clearly articulate the distinct values and contributions of each Board individually.

KEY EXTERNAL TRENDS

IESBA participants generally agreed that the joint survey was an appropriate tool for asking stakeholders' input regarding the external trends affecting the SSBs' environment. Nevertheless, they stressed the importance of the SSBs also doing their own thorough research and analysis of the external trends.

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IESBA members provided input regarding the most relevant key trends to be included in the joint survey. They raised, among others, the use of emerging technologies, the current trends of deregulation, the fast-changing social and geopolitical environment, the talent shortage in the profession, and the changes in stakeholder expectations and the new ways they process information.

An IESBA member observed that presenting predetermined trends to stakeholders may unintentionally shape their feedback and lead to bias. He suggested that, rather than the SSBs listing specific trends for feedback, the joint survey should invite stakeholders to identify the trends.

WORK PLAN

IESBA members agreed that before making decisions on any specific actions or projects, the SSBs should first understand and evaluate the importance of the current trends and their impact on the SSBs' environments. Therefore, they supported the proposal not to solicit feedback on a list of initial ideas of potential projects and activities that the IAASB and IESBA may undertake during the 2028–2031 SWP period. IESBA members agreed that the SSBs should instead seek feedback about commonalities of interest and initiatives where both Boards have a role to play and that may be undertaken jointly.

Nevertheless, they noted that the input the IESBA would receive on potential areas for joint action would need to be evaluated in conjunction with the SSBs' analysis of the current trends and their priorities.

It was also suggested that the joint survey reference the SSBs' current work plans for the period 2024–2027 to demonstrate continuity and how the future trends would relate to the previous trends and the SSBs' work.

PIOB OBSERVER'S COMMENTS

Ms. Van Diggelen expressed her support for a joint stakeholder survey and for developing a joint value proposition, in line with the advice from the SAC. She added that the joint stakeholder survey could demonstrate and drive further cooperation between the SSBs and enable them to obtain more integrated responses from stakeholders. She suggested that, in light of the survey responses, the SSBs evaluate the value of additional collaborative initiatives as they pertain to their SWPs.

WAY FORWARD

The IESBA will consider a draft joint survey in December 2025 with a view to approving it at a joint session with the IAASB.

9. Post-implementation Reviews – NOCLAR® & Restructured Code

Mss. Leung and Bernard presented an overview of the provisions in the Code introduced by the Responding to Non-Compliance with Laws and Regulations™ (NOCLAR) and Structure (Restructured Code) projects. Among other matters, they highlighted why the projects were initiated, the process by which the provisions were developed, and the key outcomes and changes to the Code arising from the projects.

They also reminded the IESBA of its June 2025 decision to commence post-implementation reviews (PIRs) on both the NOCLAR standard and the Restructured Code in accordance with the current SWP. They then walked through the proposed objectives, scope and approach of the PIRs.

The IESBA considered and generally supported the proposed objectives, scope and approach of the two PIRs, including the Project Team's plan to develop for release two public surveys to inform the PIRs, along with targeted outreach and desktop research.

Regarding the proposed scope of the PIRs, a few IESBA participants questioned:

- Whether, with respect to the Restructured Code, the PIR would also focus on the length and complexity or rigor of the Code.

Mss. Leung and Bernard responded that the scope of the PIR would be on whether the Structure project achieved its intended public interest objectives of improving the accessibility, usability and understandability of the Code.

- Whether, with respect to NOCLAR, the PIR would also focus on Part 5 of the Code, i.e., the IESSA.
In this regard, an IESBA member emphasized that the scope should focus only on the extant Code provisions in Parts 1 to 3 of the Code, as the IESSA was just issued in January 2025.

Regarding the proposed approach to the PIRs, among other matters, IESBA participants raised the following comments:

- In relation to the NOCLAR PIR, it is important to understand how the provisions have been adopted and implemented across various jurisdictions, including:

- The rationale for any modifications to the standard upon adoption.

Mr. Siong agreed that the PIR survey should gather information on the reasons for modifications upon adoption, as this may shed light on how different stakeholders in different jurisdictions understand the operation of the standard. For example, in some jurisdictions, the standard has not been fully adopted due to the absence of legislation providing credible protection for disclosure of NOCLAR to an appropriate authority. Mr. Siong further noted that this might indicate some misunderstanding of the standard, as the absence of legal protection does not necessarily mean that the standard cannot be adopted. This is because the standard requires neither the disclosure of NOCLAR to an appropriate authority nor that jurisdictions establish legal protection for such disclosure.

- A suggestion to add to rigor to the PIR survey responses by also requesting respondents to provide independent supporting evidence, similar to the practices of some international regulatory bodies. Such evidence includes, for example, jurisdictional laws enacted to demonstrate adoption, and available enforcement or breach data to demonstrate implementation.

Some Board members emphasized that effective implementation of the NOCLAR standard is likely difficult to evidence as NOCLAR matters may already have been addressed during the escalation process. A few other IESBA members agreed that while qualitative input can be obtained from respondents, there are limits to the extent of evidence the requests may yield due to confidentiality or other reasons. An IESBA member also emphasized that requesting extensive evidence might discourage stakeholder responses, particularly among PAIBs.

Accordingly, the IESBA agreed that expectations for the PIR should be carefully managed, recognizing practical constraints and other challenges for survey respondents.

- The need to understand the impact of implementing the NOCLAR standard in practice in order for the Project Team to evaluate whether the provisions have met their intended public interest objectives. This includes, for example, understanding whether and how NOCLAR matters are escalated and addressed since the standard came into effect, and whether PAs felt empowered to act as a result of the standard.

Other comments or suggestions raised included:

- Developing the surveys so that stakeholders can respond to one or both surveys; framing the questions in clear and accessible language; and conducting targeted outreach to allow free-flowing private discussions about the implementation of the NOCLAR standard in practice.
- Clarifying that the IAASB and IESBA would be developing a general framework for undertaking PIRs going forward, to be presented to both Boards in due course.
- To avoid overwhelming stakeholders, carefully planning the timing of the forthcoming surveys on the two PIRs, the joint IAASB-IESBA SWP 2028-2031 survey, and the extended survey on the Role of CFOs workstream, all anticipated for release in the first quarter of 2026.

Mss. Leung and Bernard acknowledged the IESBA participants' comments and noted that the Project Team would consider them in developing the PIR surveys.

PIOB OBSERVER'S REMARKS

Ms. van Diggelen raised the following comments, among others:

- PIRs are a critical element of the due process, and the coordination with the IAASB is welcomed.
- Understanding challenges in the adoption and implementation of the NOCLAR standard can also help to identify obstacles in jurisdictions that have not yet adopted recent versions of the Code.
- Whether PIRs on the provisions resulting from other projects on professional skepticism, applicability of Part 2 to PAPPs, and safeguards that were incorporated in the 2018 Revised and Restructured Code might also be considered.

WAY FORWARD

Subject to the Project Team giving further consideration to the timing of release of the PIR surveys as suggested during the discussion, the IESBA will consider for approval the PIR surveys at its December 2025 meeting.

10. PIOB Observer's Remarks

Ms. van Diggelen congratulated the Board on a successful and well-attended conference and commended the Board and staff for the quality of the meeting, materials, and discussions. She wished the Board success in advancing its projects and noted that this may be her final IESBA meeting as a PIOB observer. Ms. van Diggelen expressed appreciation for the Board's work and reiterated the importance of ethics in serving the public interest, particularly in the current environment.

11. Closing Remarks

Ms. Dias thanked Ms. van Diggelen for her insightful comments and contributions, noting the importance of keeping PEI developments on the Board's radar. She expressed appreciation for her expertise, independent perspective, and strong commitment to the public interest. Ms. Dias added that, if this was indeed Ms. van Diggelen's final meeting, her contributions would leave a lasting impact on the Board's work.

Ms. Dias then welcomed Ordem dos Revisores Oficiais de Contas (OROC) Vice President Mário Freire and invited him to address the Board.

Vice President Mário Freire, OROC

Mr. Freire thanked the Board for the opportunity for OROC to support and help host the Lisbon Board meeting, expressing the hope that participants would leave with good memories and return to Lisbon in the future. He underlined the importance of the IESBA's ethics work for statutory auditors, noting that trust in the profession must be grounded in integrity, independence and competence. He reflected on a guiding principle displayed at ISEG, where he studied, which states that one should not fear errors when prepared to correct them. He linked this ethos to ethical behavior and continuous improvement.

Mr. Freire emphasized the value of a principles-based approach over a purely rules-based one in guiding ethical conduct. He observed that, while technology and AI will increasingly shape audits, professional skepticism, professional judgment and ethical behavior will remain central and cannot be replaced by machines.

Ms. Dias warmly thanked Mr. Freire for his thoughtful remarks, his support throughout the week, and OROC's contribution to the success of the meeting. She reflected on what had been an intense and highly productive week, beginning with a well-attended and impactful conference, followed by four full days of substantive Board discussions. She noted the strong stakeholder engagement and positive feedback received on the conference, which speaks to the conference's impact on reaffirming the importance and relevance of the Board's work on ethics and independence.

Ms. Dias conveyed her pride in hosting the Board meeting in Lisbon and expressed deep appreciation to the sponsors OROC, OCC and ISEG, for their essential support in making the conference and meeting possible. She also thanked Board members for their rigorous preparation, high-quality contributions and constructive, strategic discussions across all the agenda items.

Ms. Dias further expressed appreciation to the ISEG team and to the IESBA staff, particularly the Communications team, for their extensive efforts. In addition, she noted the value of the SMART workshop in strengthening collaboration across the Board and staff.

Finally, Ms. Dias closed the meeting by thanking members for their collegiality and commitment and wished all participants safe travels.

12. Next Meetings

The next IESBA meetings are scheduled for:

- October 24, 2025, in virtual format.
- December 8-12, 2025, to be held in person in New York, USA.