

Meeting: IESBA
Meeting Location: New York
Meeting Date: June 8-11, 2026

Agenda Item

3

Private Equity and Other External Investments in Firms (PE&OEI)

Objectives

1. To:
 - (a) Consider an update on the discussion held at the May 2026 IESBA-Jurisdictional Standard-Setters (JSS) meeting on the topic of Private Equity Investment (PEI) in Accounting Firms; and
 - (b) Discuss and approve the Project Team's (PT)¹ Terms of Reference (ToR) and Action Plan.

Activities Since March 2026

2. During the [March 2026 IESBA meeting](#), IESBA members agreed, in light of the rapidly increasing significance of PEI, to prioritize a workstream to gather further information on developments related to PEI beyond the work done in developing the July 2025 [IESBA Staff Alert](#) on the topic. The workstream will also monitor global developments and analyze key ethical (including independence) considerations associated with PEI and the broader evolution in accounting firm structures and ownership models. This work will inform the IESBA's assessment of whether a standard-setting project or other actions are warranted.
3. The PT met in March 2026 to discuss the scope, direction, and key considerations for the workstream to develop the draft ToR.
4. The PT further met in May 2026 to discuss the draft ToR and proposed action plan in preparation for the June 2026 Board meeting.
5. In May 2026, Staff provided an update to the JSS on the IESBA's activities with respect to PEI. Participants were invited to provide feedback on the following questions:
 - (a) How have PEI activities evolved in your jurisdiction (e.g., change in frequency, deal structures, types of investors, governance arrangements or exit strategies)?

¹ Project Team members: Ken Siong, Jeanne Viljoen and Elaine Cahoon
IESBA Board Advisors

- Saadiya Adam, IESBA Member
- Mark Babington, IESBA Member
- Luigi Nisoli, IESBA Member

IESBA member liaison with Firm Culture and Governance Work Stream: Channa Wijesinghe, IESBA Vice Chair

- (b) Are there specific ethical or independence challenges arising from specific ownership models or structures that may not be fully addressed by the Code? If so, please describe the nature of these challenges, including any areas of uncertainty.
- (c) Have any regulatory, standard-setting, or oversight actions been introduced or proposed in your jurisdiction in response to specific ownership models or structures? If so, what are the key features, objectives and current status of these actions?
- (d) What trends or developments in ownership models or structures do you anticipate in your jurisdiction over the next 3 – 5 years?

The IESBA will be briefed on the discussion at the June 2026 meeting.

Action Requested

- 6. IESBA members are asked to:
 - (a) Consider the update on the discussion on PEI at the IESBA-JSS meeting and share any comments or questions; and
 - (b) Approve the proposed ToR and Action Plan as contained in **Agenda Item 3-A** and **Agenda item 3-B**; and

Next Steps

- 7. Subject the IESBA's approval, staff will finalize the ToR and begin to execute the Action Plan.
- 8. An update from the PT is scheduled for the September 2026 IESBA meeting.

Material Presented

Agenda Item 3-A	Private Equity and Other External Investments in Firms – Draft Terms of Reference
Agenda Item 3-B	Private Equity and Other External Investments in Firms – Draft Action Plan