

**Draft Minutes of the 96th Meeting of the
INTERNATIONAL ETHICS STANDARDS BOARD FOR ACCOUNTANTS**

Held on March 9 – 12, 2026 in New York, USA

Voting Members

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

Technical Advisors

Deepa Agarwal (Mr. Singh)
Keith Billing (Mr. Babington)
Ellen Gorla (Ms. Miller)
Marta Kramerius (Mr. Nisoli) (Day 1)
Ki-Tae Park (Mr. Kim)
Andrew Pinkney (Mr. Walters)
Natashia Soopal (Ms. Adam)
Bruno Tesnière (Ms. Martin)
Atsushi Tomono (Mss. Borgerth and Imura)

Apologies:

Belinda Zohrab-McConnell (Mr. Wijesinghe)

Non-Voting Observer

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

Public Interest Oversight Board (PIOB) Observer

Present: Tomoyuki Furusawa

IESBA and IFAC Staff

Present: James Gunn (Managing Director, Professional Standards), Ken Siong (Program and Senior Director), Rui Peres Jorge (Director, Strategy and Communications), Kam Leung (Director), Jon Reid (Director), Laura Leal, Szilvia Sramko, Carla Vijian, Jeanne Viljoen, Joanne Holt, Elaine Cahoon (IESBA Staff Fellow), Astu Tilahun, Diana Vasquez
Zsolt Bobis (Communications Department, International Federation of Accountants (IFAC))

1. Opening Remarks

WELCOME AND INTRODUCTIONS

Ms. Dias welcomed all participants and public observers to the first Board meeting of 2026. She extended a special welcome to new IESBA member Mr. Walters and his returning Technical Advisor Mr. Pinkney. She also welcomed Mr. Tomono as the new Technical Advisor to Mss. Imura and Borgerth. In addition, she welcomed former IESBA member Ms. Liesbet Hauserman and former IESBA Technical Advisors Messrs. Jens Engelhardt and Masahiro Yamada, all observing the meeting.

Ms. Dias then updated the Board on the activities of the Planning Committee during the quarter, including consideration of updates on various workstreams, issuing an IESBA response to the American Institute of Certified Public Accountants' (AICPA) Exposure Draft on Alternative Practice Structures, and initiating a standard-setting project on private equity investment in accounting firms, as well as an update on the proposed revisions to the IFAC Statements of Membership Obligations (SMOs) relating to the Code.

Ms. Dias also informed the Board about the upcoming Stakeholder Advisory Council (SAC) and IESBA-Jurisdictional Standard Setters (JSS) meetings to be held in late April and early May 2026, respectively.

APPROVAL OF MINUTES

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

2. Post-implementation Reviews (PIRs) – NOCLAR® and the Restructured Code

The IESBA considered a presentation from Mr. Johnny Yong, Executive Director of the Confederation of Asian and Pacific Accountants (CAPA). The presentation highlighted the findings from CAPA's survey of its member bodies on the adoption and implementation challenges relative to the non-compliance with laws and regulations (NOCLAR) provisions of the Code in the Asia Pacific region.

In particular, Mr. Yong noted the following from the CAPA survey:

- Increasingly complex and evolving legal and regulatory frameworks across a number of subject matters.
- A lack of clarity and understanding regarding the application of key concepts underpinning the NOCLAR provisions, combined with variability in awareness and training across jurisdictions.
- Differences in adoption approaches and level of enforcement across jurisdictions.
- The interaction between jurisdictional confidentiality requirements, consideration of reporting to an appropriate authority under the provisions, and limited whistleblower protection mechanisms in some jurisdictions.

Mr. Yong also outlined potential actions to address these challenges, including enhanced training and guidance, advocacy with regulators, and strengthening whistleblower frameworks. He also noted that stronger corporate governance environments tend to support more effective implementation.

The IESBA welcomed the presentation and expressed appreciation for CAPA's work in gathering regional insights. Among other matters, IESBA members raised the following:

- The effectiveness of the NOCLAR standard depends on the broader ecosystem, including the role of regulators and enforcement mechanisms as well as governance structures. Standards alone are not sufficient without appropriate enforcement and institutional support.
- Since the NOCLAR provisions operate primarily as a response framework, most NOCLAR-related matters might already be directly addressed with those charged with governance (TCWG) of an organization, rather than being reported to an appropriate authority.
- It was acknowledged that there are some stakeholder calls for more detailed guidance on various key concepts. However, there was also a caution that overly ~~perspective-prescriptive~~ guidance might ~~deter-detract~~ from the principles-based nature of the NOCLAR response framework.
- It is important to support consistent global application of the NOCLAR standard, but also recognize jurisdictional differences in legal and regulatory environments.

Ms. Dias thanked Mr. Yong for his informative presentation on the CAPA survey and welcomed the opportunity to continue the dialogue with CAPA on the topic.

STAKEHOLDER SURVEYS FOR THE PIRs OF THE NOCLAR PROVISIONS AND RESTRUCTURED CODE

Mss. Leung and Viljoen provided an update on the PIR Project Team's activities since September 2025, including a report-back on feedback from targeted outreach in Asia in January 2026 relating to the NOCLAR provisions and coordination with the International Auditing and Assurance Standards Board (IAASB) in developing the PIR objectives and the timing of the release of the PIR surveys.

Mss. Leung and Viljoen then presented the draft surveys for the PIRs of the NOCLAR provisions and the Restructured Code. They highlighted that the surveys are intended to gather stakeholder input on whether the NOCLAR provisions, and the restructuring and redrafting of the Code, have achieved their intended objectives and to determine whether further actions, if any, are needed by the IESBA.

IESBA members agreed on the key areas and questions in the draft surveys. Among other matters, they highlighted:

- The importance of clearly articulating the objectives of the PIRs.
- The need to outline the intended public interest outcomes of the NOCLAR provisions and the Restructured Code within the surveys.
- The need to ensure that the questions capture practical implementation challenges, recognize jurisdictional differences and are tailored to different stakeholder groups.
- The importance of obtaining both qualitative insights and, where possible, measurable indicators of effectiveness, while recognizing confidentiality restrictions.
- The importance of understanding what possible actions the IESBA might take to assist stakeholders with adoption and implementation.

After considering editorial refinements, the IESBA approved the two stakeholder surveys for the PIRs of the NOCLAR provisions and the Restructured Code. The IESBA also supported the planned release of the surveys in early April 2026.

PIOB OBSERVER'S REMARKS

Mr. Furusawa expressed support for the two PIRs. He encouraged the Board to ensure that the PIR process remains focused on assessing whether the NOCLAR standard and the Restructured Code are achieving their intended objectives in practice and reiterated the importance of continued stakeholder engagement.

He also cautioned the IESBA to be mindful of stakeholders being overwhelmed with multiple public consultations or surveys being issued by the IESBA and IAASB around the same time. Ms. Dias and Mr. Siong agreed, noting that the timing of the release of the surveys had already been closely coordinated with the IAASB.

WAY FORWARD

The IESBA will undertake full reviews of the responses to the Restructured Code and NOCLAR PIR surveys at its September and December 2026 meetings, respectively.

3. Firm Culture & Governance (FCG)

The IESBA considered an update from the Project Team on its activities since the December 2025 meeting, including targeted outreach in Asia during January 2026, and coordination with the IAASB on the progress towards completing a linkage paper on the IESBA FCG viewpoints and ISQM 1.¹

The IESBA also considered and supported the Project Team's upcoming plan for further stakeholder engagement on the IESBA viewpoints, aimed at gathering further information to inform the IESBA deliberations in June 2026 on the content, authority and location of the future FCG framework.

Finally, the IESBA considered a presentation from Ms. Christine Shaefer and Mr. Enrique Martinez-Gonzalez from the firm Live Both And, two experts in the field of human behavior, on the approach to, and timing of, two simulation exercises on the IESBA viewpoints. The simulation would involve one large firm and one medium-sized firm in different jurisdictions. The exercises are intended to gather deeper insights into how the two firms might contextualize and implement the IESBA viewpoints within their environments.

IESBA members raised the following questions and comments, among others:

- The expected content of the report summarizing the results of the simulation exercise and whether such a report would be made public.
- Whether the simulation results would be representative of all firms, considering that the exercise will be done with only two firms, and whether information on scalability and proportionality will be gained, considering the size of the participating firms and their network specificities.
- The need to be mindful that the simulation exercise would be conducted on the IESBA viewpoints as a tool for stakeholder engagement, and not the FCG framework itself.
- The need to recognize that some IESBA viewpoints are long-term in nature and require time for their impact to be fully reflected in practice.

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

Mr. Siong and Ms. Dias noted that further targeted outreach will be conducted post-June 2026 to gather further feedback as the FCG framework is being developed. Mr. Siong also noted that the results of the simulation would be presented in aggregate and anonymized.

Ms. Shaefer and Mr. Martinez-Gonzalez further shared that the report will incorporate qualitative data, such as whether the FCG elements are being understood consistently, and how a baseline FCG framework might support a firm navigating through scenario-driven ethical dilemmas.

PIOB OBSERVER'S REMARKS

Mr. Furusawa encouraged the IESBA to consider potential connections between FCG and private equity investment (PEI) in accounting firms, as the PIOB is also currently ~~closing~~closely monitoring the latter topic. Ms. Dias responded that any FCG framework would also cover firms with PEI. She recognized that firms with a strong ethical culture would be better equipped to navigate the challenges posed by PEI, and suggested that both workstreams remain separate but coordinated.

WAY FORWARD

The IESBA will consider an analysis of the feedback gathered from the dialogue series, the simulation report, and the Project Team's proposal regarding the way forward for the FCG framework at its June 2026 meeting.

4. Role of Chief Financial Officers (CFOs)

The IESBA considered an update from the Project Team on its activities and progress since the December 2025 IESBA meeting, including the commencement of global outreach activities, ongoing academic literature review, and the issuance of extended surveys for CFOs and other stakeholders, as part of the information gathering phase of the initiative.

GLOBAL OUTREACH ACTIVITIES

Ms. Vijian provided an update on the global outreach program for Q1-Q2 2026, including:

- The first in-person global roundtable in Milan, supported by Deloitte Milan, on March 4.
- Three focus group meetings in London on March 3, 4, and 6, supported by the UK Financial Reporting Council (FRC), Association of Chartered Certified Accountants (ACCA), and the Institute of Chartered Accountants in England and Wales (ICAEW).
- Upcoming outreach in New York (supported by the AICPA, CPA Canada, and CPA Ontario), Nairobi (supported by the Institute of Certified Public Accountants of Kenya (ICPAK) and Pan African Federation of Accountants (PAFA)), Hong Kong (supported by the Hong Kong Institute of Certified Public Accountants (HKICPA)), India, Latin America, and a further session with the International Public Sector Accounting Standards Board (IPSASB).

Ms. Vijian reported that the format for the outreach activities, with separate sessions for CFOs and for other stakeholders, had effectively encouraged candid discussion among CFOs and a broad exchange of views among other stakeholders. She added that the first four days of in-person outreach in Milan and London included 46 CFO participants and 24 other stakeholders, with representation across large, listed, small- and medium-sized entities (SMEs), and growth-stage entities, and from regulators, oversight bodies, investors, and other organizations.

FEEDBACK FROM THE MILAN ROUNDTABLE, LONDON FOCUS GROUP MEETINGS, AND ASIA OUTREACH

Messrs. Wray and Reid provided a high-level report-back on initial feedback received at the Milan and London outreach activities. Among other matters, they highlighted that:

- Participants generally described the CFO role as evolving in a more pressurized, complex, and fast-moving environment, rather than simply expanding. Drivers of this cited included artificial intelligence (AI), sustainability reporting, cybersecurity, market pressures, and the assumption of wider non-traditional functions.
- Some CFOs are taking on multiple roles, including operational, technology, or executive responsibilities, which can create conflicts among stewardship responsibilities, governance expectations, and commercial objectives.
- The most difficult ethical issues raised were generally not clear-cut cases of misconduct, but gray, contextual, and pressure-driven matters, including conflicts of interest, commercial pressures, operating under multiple ethics frameworks, and responsibilities extending beyond the traditional finance remit.
- Some CFOs felt isolated or under-supported in navigating such ethics issues, with confidence and the ability to challenge senior leadership being recurring themes.
- Differing understandings of the meaning of public interest were reported and, in some cases, blurred distinctions among ethics, values, and morality, particularly as CFOs assume broader responsibilities and confront emerging questions about AI use and data governance.
- With respect to the visibility and application of ethical frameworks, only a small number of CFOs appeared to be familiar with the IESBA Code, although many were familiar with their own professional accountancy organization's (PAO) code. Some CFOs had not revisited their relevant ethics code for many years; however, those subject to such codes generally valued the clarity and support they provided in difficult situations.
- Concerns were also raised about an uneven playing field between CFOs who are subject to such professional ethics codes and those who are not.

Mr. Siong provided a report-back on outreach activities in Singapore, Malaysia, and Hong Kong SAR in January 2026, as these related to the Role of CFOs initiative. He noted similarities to the feedback from Milan and London, with rapid evolution of the role and that several CFOs had shared a sense of being "lonely" in their role from an ethical perspective. He added that a few of the CFOs did not see themselves as being "the first line of defense" for ethics issues but rather that they believed it is a collective responsibility within their organizations. He also added that ethics is often considered difficult, where profits and commercial objectives are often front of mind, and that CFOs want to see greater support from the IESBA and local PAOs. Mr. Wray noted that feedback in London and Milan was that support was sometimes not sought due to concerns that the focus would be on enforcement.

BOARD DISCUSSIONS

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

- The challenge is the breadth of the population as the level of support, maturity, and sophistication ~~vary~~ varies depending on whether a CFO is in a listed company, government agency, or large

proprietary companies compared to smaller companies, meaning different solutions might need to be considered.

Mr. Wray agreed and added that CFOs in larger organizations often rely on others with respect to ethics, which can impact support levels depending on their background.

- The importance of distinguishing between matters that may point to standard setting, those that may call for support through non-authoritative guidance or other assistance, and those that fall more appropriately within the broader governance and regulatory ecosystem. The IESBA cannot use the Code to solve corporate governance problems and-or to determine how companies and boards should function.

Mr. Wray noted that it is important to define the whole ecosystem, determine the IESBA's role as well as those of many other players, including IFAC, and to look for partnerships. He added that the evidence base from this workstream will assist those other players in their roles vis-à-vis CFOs.

- As the issues are not the IESBA's alone to address, but also for other players across the ecosystem to consider:
 - A suggestion that, in addition to the outreaches having separate CFO and other stakeholders sessions, to have a third session where CFOs and other stakeholders all come together to understand the specific needs of CFOs.
 - A suggestion to determine what portions of the population will be impacted by particular actions to assist with assessing the benefits of that particular action.

Mr. Wray noted that working with the Chatham House Rule, bringing all stakeholders together would not work and that careful consideration would be given to ensuring that a one-size-fits-all approach is not taken, including being mindful of unintended consequences.

- Whether the issues identified to date point to any deficiency in the Code such that ethics issues are not being addressed in the public interest.

Mr. Wray noted that feedback suggests that the fundamental principles remain robust. However, there are challenges in applying them in contemporary business contexts and newer aspects of the CFO role. Mr. Reid added that the non-traditional roles assumed by CFOs or specific issues relevant to the public sector might not be directly addressed in the Code, including in the definition of "professional activity" which is finance-focused. Mr. Siong shared that during the Asian outreach, some of the stakeholders had raised concerns about the application of the fundamental principle of integrity and the NOCLAR standard when the CFO's employment or their organization's business interests might be in jeopardy.

- The need to segment the CFO population more carefully, given differences in roles, support structures, and context across entity types, sectors, and jurisdictions. CFOs who are not PAs are not required to comply with the Code and are not subject to enforcement or continuing professional development (CPD). However, some CFOs who are PAs do not appear to be aware of their obligations under the Code, highlighting the importance of robust and effective communications.
- Whether the ethical challenges are different across ownership structures, such as family-owned and start-up organizations. Where profit is derived in an unethical manner, the business will not be sustainable.

Messrs. Wray and Reid noted that feedback had been received from family-owned and start-up organizations and that while the ethical challenges are similar, the contexts are different and the focus on profit, particularly in start-ups, had been highlighted as an issue.

- With respect to CFOs who are PAs not revisiting ethical requirements, whether mandatory CPD covers training on ethics.

Mr. Wray noted that some PAOs mandate ethics as part of CPD requirements whereas others do not. Mr. Reid added that some CFOs who are not subject to mandatory CPD on ethics saw the value in including it as a reminder of ethics obligations.

- The need for a clearer articulation of the initiative's problem statement and intended outcomes.
- The importance of obtaining more issue-specific evidence, beyond early anecdotal feedback, to better understand the nature and extent of the ethical challenges being described.
- The need for caution in interpreting early feedback from one region, and the importance of continuing to gather evidence across jurisdictions and stakeholder groups, including addressing evidence gaps with respect to the public sector and state-owned enterprises.

Ms. Dias noted that the stakeholder engagement had involved a large amount of work but had brought the IESBA closer to many new, different, and important stakeholders. She emphasized the need to refine the scope of the initiative in due course in order to maximize the impact of any IESBA responses.

PIOB OBSERVER'S REMARKS

Mr. Furusawa noted that the PIOB considers that one of the most important parts of the IESBA's remit is to maintain trust of information in the capital markets, which is a shared responsibility with corporate governance and the profession. He added that as CFOs are the gatekeepers ~~for~~of corporate disclosures, it is in the public interest for the IESBA to examine the evolving role of the CFO and to determine whether related ethical considerations are adequately addressed. He also noted that the CFOs roundtables and surveys will help to heighten stakeholder awareness of the relevant issues and build evidence to support the important deliberations at the June 2026 IESBA meeting. He added that refining the scope and focus in the next stage of the work would be critical.

WAY FORWARD

The IESBA will consider the Project Team's preliminary findings from the information gathering work at its June 2026 meeting.

5. IAASB-IESBA Coordination

Ms. Vijian presented the IESBA with an update on coordination matters being progressed with the IAASB. She noted that Q1 coordination discussions covered the IAASB's ISRE 2410² project, the ISA 500³ series

² ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*

³ International Standard on Auditing (ISA) 501, *Audit Evidence – Specific Considerations for Selected Items* (with a focus on inventory); ISA 505, *External Confirmations*; and ISA 530, *Audit Sampling*.

revisions project, Firm Culture and Governance, technology-related matters, planning for upcoming meetings of the User Advisory Group, and approaches to current post-implementation reviews.⁴

Ms. Vijian then introduced the interoperability matters arising from the IAASB's proposed revision of ISRE 2410. She explained the position of ISRE 2410 within the suite of IAASB standards and the wider reporting ecosystem, noting that the standard applies when the limited assurance engagement is performed by the auditor of the entity's annual financial statements. She also summarized the IAASB's public interest rationale for revising ISRE 2410 and noted that, having reviewed the draft standard to be taken to the IAASB's March meeting, staff had not identified the need for any significant changes from an ethics and independence perspective.

RELEVANT ETHICAL REQUIREMENTS

The IESBA first considered the proposed requirement in revised ISRE 2410 for explicit compliance with relevant ethical requirements. The staff's preliminary assessment was that the proposal did not raise any interoperability concerns.

The Board discussed the meaning of "relevant ethical requirements," including the relationship between the Code and national requirements that are at least as demanding. The Board also considered whether the wording in the application material should be more closely aligned with the defined term, and whether certain requirements could pose practical issues in recurring interim review engagements.

After due deliberation, the Board agreed with the staff's assessment that the proposed wording did not raise a substantive interoperability issue.

INTERIM REVIEW REPORT

The IESBA considered the proposed revision to the statement in the interim review report referring to compliance with independence requirements. IESBA members considered the proposal and did not raise any concerns.

SECTION 360 – NON-COMPLIANCE WITH LAWS AND REGULATIONS

Ms. Vijian explained that Section 360 is structured around two response pathways, one for audits of financial statements and one for other professional services. She highlighted a potential interpretive question as to whether, in the context of an interim review performed under ISRE 2410, the applicable pathway should be determined by the type of engagement being performed or by the practitioner's status as the entity's auditor. Staff explained that in the context of an ISRE 2410 engagement, Section 360 should be applied by reference to the type of engagement being performed, as that was the Board's intent in developing Section 360. Therefore, the practitioner would follow the less stringent pathway applicable to professional services other than an audit of financial statements. Staff acknowledged that, in practice, firms might respond more robustly by following the more stringent pathway applicable to audits of financial statements because interim reviews are performed by the same firm that undertakes the audit engagement.

Staff therefore proposed treating the matter as a possible matter of clarity to be explored through a targeted question in the explanatory memorandum to the IAASB's ISRE 2410 (Revised) Exposure Draft.

⁴ For the IAASB, the PIR of ISA 540 (Revised), *Auditing Accounting Estimates and Related Disclosures*. For the IESBA, the PIRs of the NOCLAR standard and the restructured Code.

An IESBA member expressed the view that, where the firm is the auditor of the entity, it would be expected to respond as the auditor, notwithstanding that the engagement is an interim review rather than an audit. Several IESBA members considered that this reflected market understanding and practice and questioned whether the issue was causing any practical difficulty. At the same time, a few IESBA members acknowledged the point raised by staff that Section 360 currently does not expressly specify that the more stringent pathway should be followed in the context of ISRE 2410 engagements and that, read strictly, Section 360 could be taken to point to the pathway for professional services other than audits.

IESBA members also discussed whether any clarification should be limited to interim reviews or whether broader implications for other services a firm might provide to the same client should be considered. In that regard, IESBA members and staff noted the possibility of unintended consequences if the matter were addressed through a narrow-scope amendment to the Code.

After further deliberation, the Board agreed with the staff's proposed approach ~~to~~of using the IAASB exposure process to seek feedback from firms and other stakeholders as to whether an ambiguity exists and whether clarification may be needed. The Board also agreed that the question to be raised through the IAASB exposure process should be targeted at interim reviews and should not be duplicated through the IESBA's NOCLAR PIR process. The Board, however, agreed that responses received through the IAASB exposure process might nevertheless inform the IESBA's PIR work on the standard.

GROUP INTERIM REVIEWS AND INTERACTION WITH SECTION 405 OF THE CODE

The IESBA considered the staff's analysis of group interim reviews and Section 405⁵ of the Code. Staff explained that the proposed ISRE 2410 (Revised) introduces explicit requirements for group interim review engagements, including requirements relating to the involvement of component auditors and the responsibilities of the group engagement partner in determining the nature, timing, and extent of that involvement. Staff noted that, although firms were likely already applying a consistent approach across the broader group audit relationship, the express inclusion of group considerations in the proposed ISRE 2410 (Revised) could raise practical questions about the independence requirements applicable to component auditors involved in a group interim review. There might also be a question about the ethical requirements to be communicated to a component auditor, particularly where the component auditor is outside the group auditor's network.

Staff presented four possible approaches for the Board's consideration, including using the IAASB consultation process to gather information on whether a practical issue exists and what response, if any, may be needed.

IESBA members supported the staff's preferred approach, noting that component auditors would likely already have received group instructions in practice, but that it was sensible to seek feedback through the IAASB's exposure draft process on whether practical issues exist and what response, if any, may be needed.

PIOB OBSERVER'S REMARKS

Mr. Furusawa sought clarification on whether broader questions concerning non-assurance services would also be addressed in the IAASB exposure draft or in the IESBA's NOCLAR PIR. Mr. Siong clarified that, under the Code, issues arising in the non-audit service context are already addressed through internal

⁵ Section 405, *Group Audits*

communication obligations within the firm under Section 360. Accordingly, the question to be clarified through coordination with the IAASB in relation to NOCLAR should be focused on interim reviews. Ms. Dias added that any relevant matters arising from the IAASB consultation could nevertheless be considered together with the PIR survey feedback in due course.

WAY FORWARD

The IESBA asked that staff work with IAASB staff in drafting appropriate questions based on the Board deliberations, for inclusion in the explanatory memorandum accompanying the IAASB exposure draft.

6. Adoption & Implementation (A&I)

Ms. Dias introduced the session, emphasizing the continued importance of the A&I Working Group's (A&I WG) focused and structured approach to advance the IESBA's strategic objectives. Mr. Singh, Chair of the A&I WG, provided a high-level update on the A&I WG's activities since December 2025.

Mr. Reid highlighted recent stakeholder engagement, including:

- Coordination with IFAC staff on IFAC's approach to operationalize data collection and the Statements of Membership Obligations (SMOs) compliance program.
- Continued coordination with the staff of the IAASB and the International Sustainability Standards Board (ISSB).
- An Institute of Chartered Accountants of Nigeria (ICAN) implementation webinar where Ms. Nwazota and Ms. Cahoon presented on the application of the Code to over 8,000 participants.

Mr. Reid also provided an update on IFAC's approval of revisions to SMO 4, which stipulates the requirement for IFAC member bodies to identify and undertake actions to have the latest IESBA Code adopted and implemented in their respective jurisdictions.

Mr. Singh and Ms. Cahoon provided an update on the A&I WG's activities and next steps to operationalize the *Partnership Framework for Promoting Adoption and Implementation of IESBA's Standards* (Partnership Framework), including the identification of potential partners and the development of gating and ranking criteria and a structured approach to assess, prioritize, and sequence partners.

Ms. Cahoon provided an update on jurisdictional profiles (including the additional jurisdictions approved at the December 2025 IESBA meeting), and planned correspondence to jurisdictions to confirm status and identify A&I needs. She also outlined coordination activities with IAASB staff to collate data on the adoption status for the *International Ethics Standards for Sustainability Assurance (including International Independence Standards)* (IESSA) from JSS and regional accountancy organizations. She highlighted the planned publication of this information to enhance transparency and support monitoring jurisdictional progress.

IESBA members raised the following queries or comments, among others:

- Whether SMO 4 appropriately reflects jurisdictional realities, including differences between IFAC member bodies' obligations and jurisdictional adoption, where in many instances, jurisdictions have not achieved adopted status.

Mr. Reid noted that the IFAC SMOs apply to IFAC member organizations, while adoption status on IFAC's Adoption Status map is assessed at the jurisdictional level. He indicated that adoption status can be impacted by who holds responsibility for adoption in a particular jurisdiction.

Mr. Siong added that the preface and applicability framework of IFAC's SMOs distinguish between direct, shared, and no responsibility for adoption. He added that where there is direct responsibility, the member body must implement all SMO requirements, whereas where a member body has no responsibility, it must use its "best endeavors" to encourage adoption. He also expressed the view that a pragmatic approach was needed to reflect these complexities while maintaining clarity and consistency in assessing jurisdictional adoption and SMO compliance.

- Whether engagement with non-professional accountant (non-PA) stakeholders, including the International Accreditation Forum (IAF), is envisaged through the Partnership Framework at a global or jurisdictional level, and how such stakeholders would be identified and prioritized.

Ms. Cahoon noted non-PA stakeholders would be considered both at the global and jurisdictional levels. While larger regional or global organizations may provide initial leverage opportunities, jurisdiction-specific partners would not be precluded, depending on the assessment using the defined criteria. She added that the Partnership Framework does not preclude other outreach activities being undertaken as part of the A&I WG's broader mandate.

Mr. Singh added that there is work to be done with non-PA organizations and the WG will ensure they are maintained on the horizon. Mr. Reid noted that the coordination efforts with IAF to enable a global and more efficient approach to the mapping exercise between the Code and the relevant provisions from IAF had stalled due to the reasons articulated in previous IESBA meetings. However, the UK member of IAF might consider furthering this work.

- Whether there is a vision of what a good partnership consists of, and if the proposed number of partnerships is achievable and aligned with available resources.

Mr. Singh noted a flexible, pragmatic, and phased approach would be adopted to allow for both global and jurisdiction-specific partners, focusing initially on areas where the IESBA can achieve the greatest impact. He added that potential partners would be assessed and prioritized using defined criteria, with partnerships expanded over time to ensure prioritization and capacity considerations remain central.

- Regarding the new prioritized jurisdictions identified in December 2025, where there is no IESBA member or technical advisor to assist with developing profiles, a suggestion to ensure other engagements are leveraged, for example, the recent encouraging outreach activities in Mexico.

WAY FORWARD

The IESBA supported the A&I WG's proposed next steps, including continued advancement of jurisdictional profiles and targeted outreach, further development and operationalization of the Partnership Framework, and planned publication of IESSA adoption statuses across jurisdictions. A further update on A&I activities will be provided at the June 2026 IESBA meeting.

7. Part 4B Sustainability

Mss. Sramko and Cahoon presented an update from the Project Team (PT) on its information-gathering activities relating to sustainability assurance engagements (SAEs) outside the scope of the International Independence Standards (IIS) in the IESSA.

Mr. Babington and Ms. Miller, Board Advisors to the PT, noted the limited availability of relevant information to the PT. They observed that current sustainability assurance activity is largely concentrated among larger listed entities, with many engagements already within the scope of the IIS in the IESSA. They also highlighted that the expansion of sustainability reporting and assurance to broader segments of the market has progressed more slowly than expected, resulting in a limited pool of engagements to inform consideration of independence issues outside the IIS in the IESSA. They emphasized the importance of ensuring that any future action is responsive to identified issues, yet grounded in a robust evidence base and clear public interest need, recognizing that it may take time for sufficient evidence to emerge as the market develops.

Ms. Dias reflected that the landscape has evolved significantly since the IESSA was approved, contributing to a more dynamic and uncertain environment and increased risk of fragmentation across jurisdictions. She noted that, while the impetus for the development of the IESSA initially arose externally, for example, through calls from the International Organization of Securities Commissions (IOSCO) and the PIOB, similar signals were not as evident at present to clearly support initiating a new project to address independence for SAEs outside the scope of the IIS in the IESSA.

The Board acknowledged the thoroughness of the Project Team's information-gathering activities and noted the value of the information obtained to date.

IESBA members made, among others, the following comments and observations:

- Given the insufficient evidence, a few IESBA members noted that it could be premature to draw conclusions on the need for future standard-setting in this area, and that there may be a need to reassess and confirm sufficient demand and public interest before proceeding.
- While an IESBA member acknowledged that the IESBA should not wait for a market failure, he also believed that research with respect to SAEs outside the scope of the IIS in the IESSA would not provide timely insights. He suggested that the PT continue to engage with larger assurance providers and other organizations as potential sources of relevant data.
- Based on the absence of a clear regulatory call, it was questioned whether addressing such SAEs is currently a high public interest priority.

Mr. Ito emphasized the need for continued monitoring of the implementation of the IESSA. He noted that effective implementation would be critical to building global consistency and trust. He added that lessons learned from the IESSA implementation might also inform the Board's future work related to SAEs outside the scope of the IIS in the IESSA.

PIOB OBSERVER'S REMARKS

Mr. Furusawa acknowledged the challenges in obtaining relevant information but noted that the evolving sustainability assurance landscape itself – based on publicly available information on the relevant developments – may provide a useful basis for the Board's assessment, including understanding the pace of change and its implications for future decisions. He also emphasized the importance of remaining

responsive to the changing context, noting that circumstances have evolved since the initial external impetus for the IESBA's work in the sustainability area.

WAY FORWARD

The IESBA will consider the PT's final report on its information gathering and recommendations to the Board at its June 2026 meeting.

8. Emerging Issues and Outreach Committee (EIOC)

Mr. Peres Jorge introduced the session, noting that the proposal had been developed by the EIOC to refresh the mandate, name, and terms of reference of the committee. The proposal responds to the strategic direction agreed by the Board to place greater emphasis on knowledge-driven decision-making and environmental monitoring as foundations for the Board's strategy, work plan, and priorities.

Ms. Borgerth, as EIOC Chair, welcomed the proposed changes and thanked outgoing staff members for their contributions to the committee's work over the preceding period.

PROPOSED CHANGES TO MANDATE AND TERMS OF REFERENCE

Mr. Peres Jorge outlined the key elements of the proposed refresh. The principal objectives of the changes are to:

- Refocus the committee's mandate on the identification and monitoring of emerging trends and risks – defined as events or developments that may impact the IESBA's strategy, work plan, and the adoption and implementation of its standards – while removing the outreach coordination function that had formed part of its prior mandate.
- Strengthen structured staff support through the establishment of a dedicated IESBA Staff Insights Group, comprising four staff members, which is also one of the fifteen key initiatives under the SMART framework.⁶
- Streamline the identification and filtering process by establishing two tiers of output: matters sufficiently significant to be brought before the Board for consideration and possible action, and matters noted for information only.
- Introduce two key deliverables: an annual Risks and Opportunities Survey (building on the exercise initiated in 2025), and a semi-annual report on trends and risks to the Board.

It was noted that the committee would also be renamed to better reflect its refocused mandate, and that its membership composition would remain unchanged, though the committee remains open to additional Board member volunteers.

BOARD DISCUSSION

IESBA members welcomed the proposal and expressed broad support. Among other matters, they raised the following comments:

⁶ The SMART (Simplification, Mobilization, Adoption, Responsiveness and Targeted Action) framework is a stakeholder-centric approach to enhancing the clarity, impact and coherence of the IESBA's activities.

- The sources of information listed in the revised terms of reference provide a solid foundation, but the committee should also proactively identify new and non-traditional sources, including horizon-scanning services and research produced by organizations that monitor regulatory, geopolitical, and economic developments. The committee should not be limited to established publications.
- There is significant value in encouraging Board members and staff to proactively share relevant information with the Insights Group, given the breadth of exposure that different individuals bring from their respective jurisdictions and stakeholder interactions. The committee should be seen as a collaborative intelligence-gathering function rather than a purely staff-led one.
- Consideration should be given to how the Insights Group would work with relevant project teams where thematic overlaps arise, namely in technology-related trends and risks.
- The committee should leverage AI tools and technology in its own processes, given the volume of information that the Staff Insights Group will need to review and synthesize. This was viewed as both a practical necessity and an opportunity to demonstrate the Board's own use of technology in advancing its work.

Mr. Siong noted that leveraging artificial intelligence (AI) in the committee's workflow would be particularly important given the scale of information flows involved. He encouraged the team to experiment with available tools. He also noted that technology-related trends and risks would primarily be routed through the Technology Working Group (TWG), while the Insights Group would coordinate with project teams on all relevant overlaps.

Ms. Dias emphasized the importance of the committee's work to the Board's broader strategic direction, noting that the IESBA's commitment to evidence-based decision-making and continuous environmental monitoring requires a functioning, well-resourced intelligence function. She also underscored that the removal of the outreach coordination function does not diminish its importance, but rather reflects the maturation of outreach processes across the broader organization.

WAY FORWARD

The Board approved the proposed changes to the committee's mandate, name, and terms of reference. The Staff Insights Group will proceed with developing the structure and workflow for the semi-annual Trends and Risks Report, with a view to presenting a proposal to the Board at the June 2026 meeting. The annual Risks and Opportunities Survey exercise will evolve in 2027 building on the 2025 and 2026 experiences.

9. Technology

Ms. Dias introduced the session by noting that technology, in particular AI, has become central to many of the issues the IESBA is currently considering. Ms. Imura, Chair of the TWG, outlined the TWG's new composition and noted its intention to take proactive and organized action during 2026.

UPDATED TERMS OF REFERENCE

Ms. Viljoen presented the proposed updates to the TWG's Terms of Reference (ToR), highlighting that the revisions were intended to refine, rather than fundamentally change, the previous ToR. She noted that the updates place greater emphasis on raising awareness of technology-related ethical issues as well as the technology-related revisions to the Code that became effective in December 2024.

IESBA members were supportive of the proposed updates to the ToR. Among other matters, IESBA members raised the following comments:

- The updated ToR should clearly indicate that the TWG's work is also intended to inform the IESBA's activities, including identifying matters that may warrant future Board consideration.
- Coordination with the IAASB should be given prominence, while ensuring that the TWG's focus extends beyond audit-related matters.

In response, Ms. Imura and Mr. Siong noted that the revised ToR were intended to reflect increased emphasis on IAASB coordination.

The IESBA supported the proposed updates to the ToR, subject to the refinements discussed.

ENVIRONMENTAL SCANNING

Ms. Holt reported on the latest environmental scanning discussions with the Technology Expert Group (TEG), noting that AI continued to be the most prominent issue identified. Ms. Imura added that in addition to AI, governance and data-related matters were also recurring themes. Ms. Miller, a TWG member, further emphasized the pace of technological change, the uneven level of stakeholder understanding and maturity, and the need for the IESBA to communicate risks and ethical implications more quickly, including through smaller and more agile outputs.

TWG WORK PLAN

Ms. Viljoen presented the TWG's proposed 2026 work plan, including the development of new materials on emerging technologies, with AI identified as the most immediate priority, and the updating of NAM developed before the technology-related revisions to the Code. She also outlined possible approaches for future NAM that would differ in both level of detail and timing, ranging from higher-level materials issued earlier to more detailed use cases developed later.

IESBA members generally supported the TWG's proposed direction and welcomed the emphasis on timely and practical support materials. Among other matters, IESBA members raised the following comments:

- The NAM should focus on the ethical and independence implications of specific technologies, rather than providing broad descriptions of the technology landscape.
- It is important to move quickly. To this effect, there were suggestions that the IESBA should consider partnering with other organizations in developing such materials.
- Consideration should be given to providing the Board with more frequent updates on the development of NAM so that it can help calibrate the scope and depth of the work and avoid unnecessary delays.
- It is important to clearly articulate the criteria for prioritizing particular NAM, such as ethical risk and implementation challenges, to help ensure that NAM will be impactful and efficient.
- It was emphasized that the TWG's work extends beyond NAM and includes other important initiatives, such as the podcast and broader communication activities.

Ms. Dias noted the Board's clear message that the TWG should strike a balance between timeliness and impact.

IAASB PRESENTATION

Mr. Giardina, IAASB Principal, presented on the IAASB's technology-related initiatives. He outlined the IAASB's proposed technology catalog process for identifying and evaluating technology-related matters affecting the application of IAASB standards. He also shared the proposed action plan specific to the technology quality management workstream focused on developing NAM on emerging technologies, particularly generative AI.

Among other matters, Mr. Giardina provided the following comments in response to queries raised by IESBA participants:

- Subject to the IAASB's deliberation at its March 2026 meeting, the preliminary proposal for developing the proposed non-authoritative guides includes the creation of an expert group and targeted outreach to key stakeholders.
- The quality management workstream is focused on technology used by firms and practitioners, particularly generative AI, while technology used by entities would continue to be monitored through the broader technology catalog process.
- The proposed guides are intended to form the central body of the IAASB's technology-related NAM, but may be supplemented with other forms of NAM that could be issued more quickly. Mr. Giardina added that the initial focus is on generative AI and other technologies that are opaque, non-deterministic or adaptive, where firms' quality management practices are still developing.
- The IAASB's proposed guides and the IESBA's work should be viewed as complementary, given the close interaction between ethics and audit considerations in this area.

Mr. Gunn also noted that, for both the IESBA and the IAASB, NAM should not be viewed as an alternative or substitute for standard-setting, but rather as an appropriate response in the circumstances.

PIOB OBSERVER'S REMARKS

Mr. Furusawa highlighted the ongoing discussion with the IAASB regarding the process and due diligence applicable to different forms of NAM and encouraged the IESBA to monitor that discussion closely.

In response, Mr. Siong noted that the matter extends beyond technology to other IESBA workstreams and is relevant to both standard-setting boards. He added that this raised the broader question of balancing speed to market with appropriate due process.

WAY FORWARD

The IESBA will consider a further update from the TWG at its June 2026 meeting.

10. Private Equity Investments in Accounting Firms

The PEI PT provided an update on developments relating to PEI in accounting firms. This included an overview of the [International Federation for Accountants \(IFAC\) global research and related resources](#), an [Accountancy Europe paper](#) on third-party ownership models, and the AICPA's [exposure draft](#) on alternative practice structures (APS).

Among other matters, the IESBA members noted the following:

- PEI is increasing in prominence globally and there is an increasing pace at which related structures and arrangements are evolving.
- PEI arrangements may provide benefits to the firms involved, including access to capital to support growth and innovation, enhanced operational and management expertise, and solutions to succession challenges. At the same time, there is a range of risks associated with such arrangements, including potential threats to independence, conflicts of interest, possible impacts on audit quality, increased regulatory complexity, and uncertainty associated with investor exit strategies.
- Certain elements of the proposals in the AICPA exposure draft extend beyond the current Code, particularly in addressing structural arrangements and investor influence.
- PEI is a global and evolving issue and the Code's principles-based framework may already address many of the relevant threats. The focus should remain on the substance of threats to independence rather than the legal form of structures.
- The [PEI IESBA Staff Alert](#) was intended as an initial, high-level publication to raise awareness and was not designed to provide a comprehensive assessment of all risks.
- It is important to undertake case-based analysis of PEI structures to identify actual threats to independence and to assess whether existing safeguards or other actions in the Code are effective in practice.

The Board expressed strong support for further information gathering and analysis. The Board agreed that such work should focus on understanding emerging PEI structures globally, assessing whether identified threats are new or already addressed by the Code, and determining whether any gaps exist in practice. The Board also emphasized the importance of undertaking this work on a timely basis and leveraging existing work, including the IESBA Staff Alert.

In relation to the AICPA exposure draft, the Board supported developing a high-level, principles-based response to promote global consistency and avoid fragmentation.

PIOB OBSERVER'S REMARKS

Mr. Furusawa emphasized the importance of maintaining global consistency in the application of the Code. He emphasized the need to assess whether developments relating to PEI are jurisdiction-specific or indicative of broader global trends. He highlighted the Board's role in maintaining a global baseline for ethics standards in the public interest.

WAY FORWARD

The IESBA will consider an update from the PT at its June 2026 meeting

11. IESBA Risks and Opportunities

Mr. Peres Jorge, together with Ms. Vijian and Ms. Holt, presented the results of the IESBA's annual Risks and Opportunities Survey, conducted among Board members and staff ahead of the March 2026 meeting. The exercise followed the framework established in 2025 and applied a PESTEL-based analytical structure

(Political, Economic, Social, Technological, Environmental, and Legal dimensions) to identify and prioritize risks and opportunities of relevance to the IESBA.

SURVEY METHODOLOGY AND CONTEXT

Mr. Peres Jorge noted that the 2026 exercise included a scan of approximately 20 external reports covering regulatory, geopolitical, economic, and accounting and audit trends, which informed the identification of a set of plausible risks and opportunities submitted to respondents for evaluation. Fifteen of 16 Board members and six of 14 staff members responded to the survey.

At the level of overall orientation, Board members were somewhat less optimistic than in 2025, assigning somewhat lower intensity to opportunities and somewhat higher intensity to risks. Staff responses reflected a more cautious outlook, with four of six PESTEL dimensions showing higher risk intensity than opportunity intensity. Mr. Peres Jorge also noted a broader contextual shift: whereas the 2025 exercise had reflected a sense of temporary turbulence, the 2026 results suggested that volatility and fragmentation were increasingly viewed as structural and persistent features of the environment, rather than temporary disruptions.

KEY FINDINGS

On the risk side, the survey identified the following as the most significant risks to the IESBA:

- Technology governance gaps, particularly in relation to AI, agentic systems, and the pace of deployment relative to the governance frameworks required to manage associated ethical risks.
- Fragmentation in the international regulatory and standards environment, with sustainability and Environmental, Social and Governance (ESG)-related divergence (including anti-ESG backlash and sustainability fatigue) cited as prominent drivers.
- The IESBA's ability to shape the implementation of its standards, including challenges related to adoption breadth, the reach of the Code to non-PA constituencies, and the perception of mandate boundaries.

On the opportunity side, the survey highlighted:

- Global ethics standards as a tool to manage technology and AI governance risks, positioning the IESBA's principles-based framework as a stabilizing reference amid rapid technological change.
- Geopolitical fragmentation as a driver of demand for harmonized global standards, with a consistent global ethics baseline offering potential as a resilience and stabilization instrument.

Less pressing risks identified by both Board members and staff included talent and capacity constraints in the profession, regulatory resistance to the use of technology in sustainability, and certain climate risk dimensions. Lower-priority opportunities included the use of climate risk and market volatility as catalysts for IESBA intervention.

BOARD DISCUSSION

Ms. Dias invited Board members to reflect on the implications of the survey results for the IESBA's priorities, resource allocation, and direction. A substantive discussion followed, touching on several interconnected themes.

PUBLIC INTEREST: MEANING AND COMMUNICATION

An IESBA member commented that the concept of “public interest,” while central to the IESBA’s mandate, is not well understood or internalized by many of the constituencies with whom the Board is increasingly engaging, particularly in the context of the CFO workstream. He suggested that the Board consider how communications and narrative around the public interest could be sharpened to improve external comprehension and perceived relevance, even if a formal redefinition was not the objective.

Another IESBA member referred to the IFAC policy paper on public interest (2012), which defined public interest as “the net benefits derived for, and procedural rigor employed on behalf of, all society in relation to any action, decision or policy.” He suggested revisiting that paper as a reference point.

Mr. Siong drew the Board’s attention to the existing provisions in Section 100 of the Code that elaborate on the concept of acting in the public interest, including guidance to the effect that a PA considers not only the preferences or requirements of an individual client or employing organization, but also the interests of other stakeholders when performing professional activities. He noted that the investment of resources in attempting to articulate a definition of “public interest” has historically been substantial, and that the outcomes of such efforts have had limited impact. He cautioned against another attempt at developing a global definition while encouraging use of the Code’s existing framework and guidance.

IESBA members raised the following comments, among other matters:

- The public interest is inherently contextual. Every attempt to arrive at a universal, durable definition has ultimately failed. A more productive use of the risks and opportunities framework is to ask, for each identified risk, what threat it poses to the public interest and whether a Board response is warranted, rather than to advance the concept further in the abstract.
- While the IESBA should work in the public interest, clarity is also needed about the limits of its remit. Articulating what the IESBA can and cannot do in the name of the public interest helps manage stakeholder expectations and supports credible prioritization of its commitments and resources.
- The discussion underscored the relevance of the public interest narrative to the Board’s global presence, exemplified by a high level of stakeholder engagement in emerging and underserved markets (including a recent webinar in Nigeria attended by over 78,000 participants). In addition, the concept of public interest is particularly underdeveloped in the public sector context, which suggested a need for the Board to strengthen its visibility and outreach in that domain.
- Attempting to define the public interest in the abstract was unlikely to be productive. However, reinforcing the obligation to act in the public interest – particularly for constituencies without a professional accountancy background – could be valuable. Having language which keeps the public interest “front and center,” without requiring a precise definition, might be achievable and would be useful.
- Applying the PIOB’s Public Interest Framework (PIF) as a structured tool for each project – assessing the extent to which proposed actions respond to the PIF’s characteristics – could support clearer articulation of the public interest rationale project by project.

Ms. Dias synthesized the discussion, noting two distinct dimensions: the public interest underlying a given project (where the PIF provides a useful framework) and the challenge individuals face in understanding what it means to act in the public interest in practice. She acknowledged the PIOB’s consistent encouragement to sharpen the public interest rationale for each initiative, and suggested that rather than a

single definition, the Board should commit to articulating the public interest basis of each project clearly and consistently as it engages externally.

IMPLICATIONS FOR IESBA PRIORITIES AND WORK PLAN

An IESBA member raised the question of what it means in practice to reinforce the IESBA's role as a global baseline setter, in light of the survey's top findings. He noted that the picture emerging from the A&I discussions about the state of global adoption points to a tension between the aspiration for the Code to function as a global baseline and its uneven uptake. He asked what concrete actions the Board might take to increase the level of adoption.

Ms. Dias encouraged Board members to consider how each of the identified risks and opportunities translates into implications for specific projects or workstreams. By way of illustration, she noted that:

- The risk of "adoption without robust implementation support" reinforced the importance of not reducing efforts in the A&I area, and connected directly to ongoing discussions about resourcing.
- The sustainability fatigue and anti-ESG backlash risks had potential implications for decisions about Part 4B of the Code, where the Board is considering its future direction.
- The FCG project, given its novelty and cross-cutting nature, was particularly exposed to both risks and opportunities identified in the survey and would require careful navigation.

An IESBA member noted that the volatility captured in the survey also had a corollary implication for the Board: in a fast-moving environment, it must be equally prepared to close or deprioritize work where the public interest rationale has diminished, or the risk has passed, so as to open new workstreams. He noted the Part 4B discussions as a current example of a workstream that should be deprioritized.

Ms. Dias agreed, noting that being prepared to reassess and deprioritize would be as important as responsiveness to emerging risks. She reiterated the conviction expressed by the Board at its June 2025 meeting that ethics matters most in times of uncertainty and volatility. She encouraged the Board to translate that conviction into ~~concrete~~ prioritization and communication choices.

WAY FORWARD

The Board acknowledged the value of the annual Risks and Opportunities exercise as a structured input into strategic deliberations. IESBA members were encouraged to continue reflecting on the implications of the survey findings for their respective areas of engagement and to bring forward observations as specific agenda items arise throughout the year. The exercise will be repeated going forward.

12. SMART

Ms. Dias commenced the session by recalling the SMART workshop held in Lisbon and the Board's approval of the SMART framework. She emphasized the importance of operationalizing the SMART framework so that SMART can be embedded in the IESBA's projects, processes and methodologies.

Ms. Holt provided an overview of the work undertaken in 2025, including the development of the SMART vision and framework. Mr. Peres Jorge noted that, while 2025 had focused on diagnosis, conceptualization and design, 2026 would mark the start of implementation and serve as a pilot phase to enable refinement through practical experience and feedback. He added that implementation would be iterative and collaborative, supported by an internal governance structure to promote alignment and coordination.

Ms. Vijian outlined the establishment of the two parallel and mutually reinforcing workstreams in 2026 to support the implementation of SMART:

- The first workstream, Embedding SMART, is intended to integrate the SMART framework into the way projects and initiatives are planned, delivered, and communicated through the systematic application of the SMART fast-track actions. Select projects or initiatives will form part of a 2026 pilot phase to test the SMART framework in practice and inform further refinement.
- The second workstream, SMART Priority Initiatives, is intended to strengthen the IESBA's institutional capacity, tools, and processes to enable more consistent application of the SMART framework across the organization. The objective is to design and implement 15 targeted initiatives around three themes: strengthening the internal organization for greater impact; delivering tangible value to stakeholders and closing the feedback loop; and enhancing the IESBA's global voice for more effective external engagement.

The IESBA supported the Project Team's proposed implementation approach.

PIOB OBSERVER'S REMARKS

Mr. Furusawa welcomed the update and noted the importance of the SMART project, particularly in light of the increasing level of stakeholder engagement. He encouraged the IESBA to continue strengthening two-way communication with stakeholders so that they can better understand how the Board has considered their input. Mr. Furusawa also suggested that greater Board involvement could further strengthen stakeholder communication, including through Board members serving as a liaison between stakeholders and staff.

In response, Mr. Peres Jorge noted that delivering tangible value to stakeholders and closing the feedback loop are central drivers of SMART and form one of three themes of the SMART Priority Initiatives. He referred to initiatives such as the "What We Heard / What We Changed" templates and the "Better Outreach" initiative as examples of efforts to make the IESBA's messages and materials easier to understand, use and adopt.

Ms. Dias added that the IESBA is committed to ensuring that relevant comments, suggestions and criticisms are properly considered in its deliberations and decision-making, while acknowledging it is not feasible for a global board to respond bilaterally to all feedback received. She also noted that the staff-driven model has been operating well while continuing to evolve, and that appropriate IESBA involvement would remain an ongoing area of reflection.

WAY FORWARD

The IESBA will receive an update from the SMART Project Team at its June 2026 meeting.

13. PIOB Observer's Remarks

Mr. Furusawa, on behalf of the PIOB, expressed appreciation for the strong commitment and contributions of IESBA members throughout the meeting, including those participating remotely. He also acknowledged the Chair's leadership in guiding the Board's work in an evolving global and regulatory environment.

Referring to the Board's discussion on Risks and Opportunities, Mr. Furusawa noted the increasing risk of regulatory fragmentation and emphasized the importance of the Board continuing to advance robust and agile discussions on emerging ethical issues across jurisdictions and in the public interest.

Mr. Furusawa concluded by thanking the Board for its contributions and expressed his appreciation for the privilege of observing the meeting.

14. Closing Remarks

Ms. Dias thanked Mr. Furusawa for his participation and for bringing the PIOB's perspective to the Board's discussions. She acknowledged the commitment of IESBA members participating virtually despite the challenges of remote participation across time zones. She commended IESBA members for their active participation, the candid dialogue, and the collaborative approach throughout a rich and productive meeting.

Ms. Dias also recognized the extensive efforts of IESBA staff in preparing for and supporting the meeting. She highlighted the continued progress of the staff-driven model. She further thanked Mr. Wijesinghe, as Vice Chair, for his continued support.

Ms. Dias concluded by thanking all participants and observers for attending the meeting in person and virtually.

15. Next Meeting

The next IESBA meeting is scheduled for June 8-11, 2026, to be held in person in New York, USA.