

Agenda Item 5-D.7 (Reference Material)

IESBA and IAASB Joint Stakeholder Survey – B.3 Changes in the Geopolitical and Regulatory Landscape - Call for Greater Agility in Standard-Setting

08.01. 0 – I do not agree that this is a trend to be considered

02. Users of Financial or Non-Financial Information

CFA Institute

0 – I do not agree that this is a trend to be considered

Professional accountants' calls for "issuing non-authoritative materials instead of launching standard-setting projects, or undertaking more narrow-scope standard setting to address targeted matters" are most likely driven by the preference to have fewer standards, fewer rules governing their practice than anything to do with standard setting agility.

08.02. 2 – Decreasing in importance

06. Jurisdictional and National Standards Setters (JSS)

Wirtschaftsprüferkammer (WPK)

2 – Decreasing in importance

Greater agility in standard-setting is rejected if it would result in more frequent changes or additional standards. We have already a great number of standards today, and they are becoming increasingly complex and difficult to implement. Frequent revisions would exacerbate these problems. Instead, standard setters should focus on the simplification and improved usability of the existing standards.

The IESBA Code of Ethics should be stable and principles-based, as frequent changes could impair its effectiveness, usability and acceptance.

12. Others

Eri Murakami (Wood Design Studio Inc.)

2 – Decreasing in importance

Do not include items that are not required

08.03. 3 – Slightly decreasing in importance

07. Accounting Firms

José María Hinojal (BNFIX)

3 – Slightly decreasing in importance

09. Public Sector Organizations

Sanford Rich (NYC Board of Education Retirement System)

3 – Slightly decreasing in importance

Standard setting should be focused on disclosure transparency, accuracy, and demands of the stakeholders needs for financial reporting reliability and timeliness including the regulatory and geopolitical risks and management responses.

08.04. 4 – Slightly increasing in importance

02. Users of Financial or Non-Financial Information

Koei Otaki (SMBC Nikko securities Inc)

4 – Slightly increasing in importance

Takeshi Kimura (Nippon Life Insurance Company (Board Member, PRI) (Steering Committee Member, TISFD))

4 – Slightly increasing in importance

While greater agility in standard setting is desirable, responsiveness should not come at the expense of conceptual robustness and global consistency. For capital markets, predictability and stability of standards are as important as timeliness.

05. Regulators and Oversight Authorities

Hellenic Accounting and Auditing Standards Oversight Board (HAASOB)

4 – Slightly increasing in importance

Potential areas of simplification should focus on non - Public Interest Entities (PIEs) and the use of the standalone standards for Less Complex Entities (LCEs). Guidance can be given to how auditors can use professional judgment to scale audit work for SMEs.

06. Jurisdictional and National Standards Setters (JSS)

Compagnie Nationale des Commissaires aux Comptes (CNCC) - Conseil National de l'Ordre des Experts Comptables (CNOEC)

4 – Slightly increasing in importance

In practice, developing standards in less than 18 months is neither feasible nor beneficial, as the current due process (which includes consultation and transparent feedback from all stakeholders) is a positive aspect. It would be preferable to develop non binding materials such as guidance, FAQs, and targeted amendments that address specific issues more quickly.

Instituto Mexicano de Contadores Públicos (IMCP)

4 – Slightly increasing in importance

We have not heard from Professional accountants and other stakeholders, including regulators, the need for a more adaptive standard-setting process. Latest relevant request was covered by the adoption of ISSA 5000 and a project in progress for ethics in sustainability, as the theme is becoming a critical topic in the jurisdiction for both, public interest entities (PIE) and non-PIE. Nonetheless, we recognize the importance of having first time implementation materials for new standards together with any other non-authoritative materials from IAASB and IESBA that could be used to support the local practice.

07. Accounting Firms

AFCA Desarrollos Profesionales

4 – Slightly increasing in importance

No avanza la aplicacion de normas actuales en el mundo.

Forvis Mazars Global Limited (Mazars)

We believe that there should be greater agility in standard setters addressing certain specific issues by providing implementation or other non-authoritative guidance, rather than more standard setting. By this, we mean that the response to developments should not always be standard setting but could be a wide range of non-authoritative material supporting the application of the existing standards.

There is very little evidence from issues that have arisen on audits that the standards themselves are deficient, rather issues arise from the application of the existing standards and providing further support to auditors applying a set of principles-based standards would be of significantly more benefit than producing more rules-based standards. Furthermore, ensuring that standards remain principles-based enables global adoption by allowing local implementation guidance to focus on jurisdictional laws and regulations

4 – Slightly increasing in importance

MAH, Chartered Accountants

4 – Slightly increasing in importance

RSM International Limited

4 – Slightly increasing in importance

We agree that there is an increasing need for agility from the SSBs. However, we believe it is important to distinguish between agility in supporting implementation and agility in issuing new or revised standards. While responsiveness is important, agility should not be equated with speed in developing standards.

In our view, stakeholders would benefit most from guidance that is timely, practical, interpretive and implementation-focused, particularly in the form of non-authoritative material. Accordingly, we believe agility is best achieved, at least initially, through supporting the application of existing principles-based standards, rather than continuously revising them. Non-authoritative guidance provides an effective mechanism for SSBs to respond more quickly to emerging issues, including those driven by technological developments, without compromising the stability or quality of the underlying standards.

In contrast, standards developed with an unbalanced focus on speed risk being insufficiently calibrated, potentially leading to unintended consequences or becoming outdated due to evolving regulatory developments. Frequent or reactive changes in standards may also undermine their durability and create confusion among stakeholders.

We strongly support SSBs being responsive and aware of regulatory changes; we do not expect the SSBs to mirror or respond to fast-moving regulatory or political changes. Instead, the SSBs should exercise judgement in determining when standard setting action is necessary, recognising the inherent timeframes involved in the global standard-setting process.

Overall, we encourage a deliberate, coordinated and high-quality approach to standard-setting. In this context, we view 'greater agility' as enhanced support for implementation and non-authoritative guidance, rather than focus on faster rulemaking.

10. Member Bodies or Other Professional Accountancy Organizations

Chartered Accountants Ireland (CAI)

4 – Slightly increasing in importance

The standard-setting process cannot, by its nature, be fully agile, as it must remain sufficiently thorough, evidence-based and consultative to maintain quality, legitimacy and trust. However, strategic opportunities exist to achieve better balance between rigour and responsiveness. As noted in earlier responses, this may be best achieved by greater use of joint thematic reviews by IESBA and IAASB where there is a natural intersection in remit, as well as narrowly scoped projects focused on specific issues. Such approaches could help identify opportunities to reduce complexity, enhance effectiveness and improve consistency, without defaulting to full standard-setting initiatives.

As noted in earlier responses, this could be complemented by practical, application-focused guidance to support implementation of existing standards, allowing the SSBs to remain responsive in a changing environment while preserving the robustness and authority of the core frameworks.

European Federation of Accountants and Auditors for SMEs (EFAA)

4 – Slightly increasing in importance

EFAA considers the call for greater agility in standard setting to be slightly increasing in importance. In a rapidly evolving business, regulatory, and technological environment, professional accountants and other stakeholders increasingly require timely and practical responses to emerging issues. Delays in addressing new risks and developments may reduce the relevance and effectiveness of standards and implementation guidance.

From EFAA's perspective, a more adaptive standard-setting approach can enhance responsiveness while maintaining due process and the quality of standards. Depending on the nature and urgency of the issue, this may include the use of non authoritative guidance, implementation support materials, staff publications, or targeted narrow-scope amendments where a full standard-setting project may not be necessary or proportionate.

EFAA therefore encourages the boards to continue exploring flexible mechanisms to address emerging matters in a timely manner, while ensuring clarity, consistency, and sufficient stakeholder consultation. Such agility is particularly important for supporting SMEs and SMPs, which benefit from prompt, practical, and proportionate guidance in areas of rapid change.

Institute of Singapore Chartered Accountants (ISCA)

4 – Slightly increasing in importance

With the upcoming sustainability related developments and technological changes, greater agility in standard setting will likely become incrementally more important. We also value the issuance of non authoritative materials by the SSBs to aid in adoption and implementation efforts.

11. Academics

Kenichi Akiba (Waseda University)

4 – Slightly increasing in importance

12. Others

Cristian Emmanuel Munarriz

I think the SSBs should avoid changing standards frequently. Instead, it should address these issues through non-authoritative material.

4 – Slightly increasing in importance

Wenzel Reyes (MindBridge)

4 – Slightly increasing in importance

08.05. 5 – Increasing in importance

02. Users of Financial or Non-Financial Information

First Nations Financial Management Board

5 – Increasing in importance

We support the use of flexible approaches in standard setting, including the use of non-authoritative guidance. We wish to highlight several Indigenous-specific matters here, some of which may be suitable for non-authoritative guidance or other flexible approaches.

Indigenous Technical Advisory Groups

For more than a century, Canada's Indigenous Peoples were deliberately excluded from the dominant non-Indigenous public sector. The effect of this exclusion was to deprive these Indigenous Peoples from benefitting from the many public sector institutions that other governments are supported by. Simultaneously, Canada's Indigenous Peoples were prevented from creating their own public sector institutions.

Today, the knock-on effects of these past practices continue. Indigenous governments in Canada are often not on equal footing to their non-Indigenous counterparts when it comes to onboarding new or amended standards. This is because Indigenous governments are often under-staffed and over-committed. There is not always adequate staff dedicated to ensuring compliance with new standards.

The FMB developed and launched the Indigenous Technical Advisory Group, which is a national association of finance and accounting professionals dedicated to supporting First Nations in Canada with the adoption and implementation of new accounting, financial reporting, and sustainability standards. The SSBs might consider striking an Indigenous-specific group at the international level to learn about this and other issues that Indigenous governments and other entities may face. We invite the SSBs to attend an ITAG meeting as observers and would also welcome a discussion with the SSBs on this initiative..

Practitioners' Knowledge Gap

Indigenous Peoples in Canada and around the world experience realities and inequities that are distinct from their non-Indigenous counterparts. In Canada, practitioners in accounting and other areas, including law and education, are now required to complete Indigenous cultural competency training. In the absence of this training, practitioners may not be competent to provide services to this important client segment.

Some background here may be useful. In Canada, the Truth and Reconciliation Commission of Canada was established in 2008 to address one of the most serious injustices in Canadian history: the more than 150 years of sending Indigenous children to residential schools in order to 'assimilate' these children into Canadian society. More than 150,000 Indigenous children attended these schools and many never returned to their families. The Commission concluded that the residential schools was a cultural genocide. The effects of residential schools continue to impact Indigenous Peoples in all aspects of their lives, including economically and at the government and business levels. Around the world, Indigenous Peoples have their own histories of colonization – some may be similar, some may be totally distinct. What is the same,

however, is that colonization has displaced Indigenous Peoples from their land, their families, their cultural practices and their unique economies.

Many practitioners in accounting and other fields do not fully understand the unique histories of the Indigenous Peoples of their home jurisdictions. The effect of this is that practitioners may not actually be competent to perform auditing and accounting services for these previously overlooked and underserved client segments. At the same time, Indigenous Peoples' economies are becoming more sophisticated and Indigenous partnership in major projects is growing, thus skillful practitioners are desperately needed.

Including specific Indigenous sections in standards and in the IESBA handbook may be helpful. For instance, sections 230, 260 and 360 in the IESBA handbook may all benefit from having a reference to Indigenous impacts included. You may specifically consider including "Indigenous rights, title and interests" in s. 360.5 A2. We also encourage the IESBA to consider including Indigenous cultural competency in its guidance on continuing education, especially in jurisdictions with significant Indigenous populations

Impax Asset Management

5 – Increasing in importance

The pace of change in business models, technology and sustainability reporting has increased expectations for timely and responsive standard setting. Impax supports greater agility, provided it does not compromise due process, independence, or standard quality.

From an investor standpoint, this means:

- Making effective use of non-authoritative guidance, narrow-scope amendments and implementation support where appropriate.
- Prioritising clarity and consistency over frequent structural change.
- Ensuring that agility enhances, rather than undermines, confidence in the durability and credibility of standards.

International Corporate Governance Network (ICGN)

5 – Increasing in importance

Greater agility is important, but it should not come at the expense of due process, independence or the quality of standard setting. The SSBs should consider more targeted tools, including non-authoritative guidance, implementation support and narrow-scope amendments where appropriate.

Agility should also support practical operability. The SSBs should strengthen practitioner and user input when developing standards and guidance, so that standards remain principles-based, future-fit and capable of consistent application in real-world audit and assurance engagements. However, agility should enhance rather than weaken trust in the standard-setting process.

Jose Esposito (Credicorp Ltd.)

5 – Increasing in importance

The European Federation of Investors and Financial Services Users (BETTER FINANCE)

5 – Increasing in importance

There is a legitimate need for greater responsiveness and flexibility in standard setting, particularly given the pace of technological, market and regulatory change. However, agility should not come at the expense of due process, transparency or the quality and legitimacy of standards. A balanced approach may be appropriate, combining full standard-setting projects with targeted amendments and non-authoritative guidance where suitable. Such approaches can support responsiveness while preserving confidence in the standard-setting process.

03. Preparers or Issuers of Financial Statements or Other Information

Ajinomoto Co., Inc.

Given the rapidly accelerating pace of environmental change, companies are seeking clear and timely direction. By balancing timely standard-setting with a sound due process and by utilizing non-binding documents such as guidance to provide appropriate direction to companies, the SSB can support more efficient corporate practices.

5 – Increasing in importance

Business Europe

5 – Increasing in importance

The SSB's should take the call for greater agility serious to remain relevant. The increased requirement to react timely is a matter of fact that the SSBs need to adjust to. To achieve this, the boards should internally make efficient use of technology and process improvements to shorten development and implementation timelines where possible.

At the same time, agility should not come at the expense of proper outreach, public consultation and due process, and hence a mix of products (from standard setting initiatives to practice statements, staff guidance and other ways of engagement) may support the call for greater agility.

Sevdalina Paskaleva

5 – Increasing in importance

05. Regulators and Oversight Authorities

Independent Regulatory Board for Auditors (IRBA)

5 – Increasing in importance

Calls for greater agility reflect stakeholder experience that traditional standard-setting cycles may struggle to keep pace with rapid change, particularly where risks and practices evolve incrementally rather than fundamentally. This trend supports the case for a more flexible toolkit that includes narrow-scope projects, modular enhancements and non-authoritative materials, deployed proportionately and with disciplined scoping.

For the SSBs, greater agility is not an end in itself but a means of maintaining relevance and public interest impact while preserving the stability and authority of the standards framework. Continued engagement with jurisdictional standard setters and regulators can help inform where such agile responses are most effective

Martina Morrissey (IAASA)

5 – Increasing in importance

National Association of State Boards of Accountancy (NASBA)

5 – Increasing in importance

No matters to highlight at this time.

Tokyo Stock Exchange

5 – Increasing in importance

Since maintaining stable capital markets and ensuring reliability are critical factors, if a reassessment in light of current conditions reveals a need to revise standards to make them more reflective of reality, a high degree of agility will be required in the standard setting process.

06. Jurisdictional and National Standards Setters (JSS)

GLASS Group of Latin American Accounting Standard Setters (GLENIF)

5 – Increasing in importance

Hong Kong Institute of Certified Public Accountants (HKICPA)

5 – Increasing in importance

Stakeholders increasingly expect timely and practical responses to emerging issues. Consistent with the need highlighted across several trends, the SSBs should continue to explore agile approaches—such as narrow-scope projects and non authoritative guidance—to address urgent implementation challenges without compromising due process. This could include structured rapid-response mechanisms for emerging risks, annual or periodic improvements programmes for minor updates, and enhanced transparency around decisions to initiate new projects. High-quality non-authoritative guidance can play an important role in clarifying the application of principles-based standards to new or evolving circumstances, particularly where practice issues are developing faster than formal standard setting cycles.

Japanese Institute of Certified Public Accountants (JICPA)

5 – Increasing in importance

While greater timeliness in standard setting is important, it is essential to maintain an appropriate balance with robust due process and adequate consideration of whether the standards are acceptable and operable in practice.

Royal Netherlands Institute of Chartered Accountants (NBA)

5 – Increasing in importance

Ongoing geopolitical impacts and the opposing risks and opportunities of jurisdictional fragmentation/alignment further enhance the criticality of the Boards ability to be agile and have processes to be able to respond to emerging issues on a more rapid and efficient manner.

This argues for a Code and standards to be as principles-based as possible. They should be compact and clear with long-term value. Environments change rapidly so detailed rules-based regulations are quickly outdated.

When there are signs guidance is needed on specific topics, new or more specific standards are not always the solution. We would prefer options like an e-learning, webinars, Q&A's, supporting explanations etc. to support the application of the principles in the occurring circumstances.

07. Accounting Firms

Deloitte Touch Tohmatsu Limited

5 – Increasing in importance

The existing standard setting process does not enable the SSBs to keep pace with changes in the environment and needs of the profession. Well-developed, non-authoritative material is a more efficient

avenue for providing clarifications and targeted guidance and is therefore a more appropriate and agile approach to address some of the current trends impacting the profession. In developing non-authoritative material (NAM), it is critical that the SSBs be transparent with respect to the development process and adhere to their review and clearance principles (e.g., IAASB's Framework for Activities). There should also be a more effective mechanism for the voice of the profession to be heard in the development of NAM (potentially through involvement in task forces or similar structures).

Piotr Witek (Moore Polska)

5 – Increasing in importance

PricewaterhouseCoopers International Limited (PWC)

5 – Increasing in importance

Our approach to assessing importance

We recognise that agility is already a key priority for both SSBs. However, consistent with our responses to trends B.1 and B.2, ongoing geopolitical developments—and the related risks and opportunities associated with fragmentation or convergence of standards—are likely to further elevate its importance during the 2028–2031 strategy period. The SSBs' ability to respond rapidly and efficiently to emerging issues will be critical to maintaining relevance and sustaining confidence in international standards.

Overarching comments

We believe the SSBs should place renewed emphasis on agility by developing more timely mechanisms to delivering Board outputs. This could include a rapid-response approach to address urgent targeted issues without undertaking full standard-setting projects, complemented by an annual improvements programme for narrower maintenance matters. Greater use of high-quality non-authoritative guidance materials could also provide practical clarity on applying principles-based standards to new and emerging circumstances.

In parallel, greater transparency around decisions to initiate standard setting projects—including the rationale and supporting evidence for the defined scope and issues to be addressed—would provide a stronger foundation for constructive dialogue with stakeholders on the prioritisation of the SSBs' resources.

Matters specific to the IESBA

In a rapidly evolving environment, particularly in relation to technology and sustainability, there is a risk that the pace of formal standard-setting may not always keep up with the pace of change. We encourage the IESBA to consider making greater use of Staff Publications and Alerts, developed with appropriate Board member input and stakeholder engagement, as an interim measure to provide timely, practical guidance on emerging ethical and independence issues while the IESBA evaluates the need for standard-setting responses. This approach could enhance the IESBA's responsiveness to stakeholder needs and help bridge the gap between the emergence of new challenges and the completion of formal due process. It would also complement the broader agility measures we have recommended for both SSBs, building on the Staff Publication and Alert mechanisms that the IESBA has used effectively in the past.

Shreekant Prasad (Govindham Consultancy Services)

5 – Increasing in importance

08. Sustainability Assurance Providers other Than Accounting Firms

Anum Atique (Islamic Non Banking Financial Institution)

5 – Increasing in importance

10. Member Bodies or Other Professional Accountancy Organizations

Asociación Interamericana de Contabilidad (AIC)

5 – Increasing in importance

La evaluación predictiva de los efectos de cambios geopolíticos y regulatorios, exige una respuesta más pronta, en base a criterios formados y razonados de los entes regulatorios y técnicos regionales. Evaluar las métricas de respuestas anteriores, con un objetivo de menor tiempo en formación de respuestas y actualización de normativas.

Association of Chartered Certified Accountants (ACCA)

5 – Increasing in importance

The need for greater agility in standard-setting is expected to increase in importance, driven by the pace of change in areas such as technology and sustainability.

Stakeholders are increasingly expecting more timely and flexible responses to emerging issues, including through the use of non-authoritative materials, targeted updates, or other forms of guidance.

From an IAASB perspective, greater agility may support more responsive approaches to emerging challenges in audit and assurance, including the application of existing standards in evolving environments.

From an IESBA perspective, agility may be important in addressing emerging ethical considerations in a timely manner, particularly in areas where rapid developments create new risks or uncertainties.

This trend does not necessarily imply an increase in full-scale standard-setting projects, but rather a need for more adaptive approaches, including narrow-scope amendments, the development of guidance and other support materials to facilitate consistent application of standards.

Belgian Institute of Tax Advisors and Accountants (ITAA)

5 – Increasing in importance

In Europe alone is the content of each type of profession in each country very diverse. "One size fits all" will be very difficult.

Chamber of Hungarian Auditors (MKVK)

5 – Increasing in importance

No additional comments.

Chartered Accountants Australia and New Zealand (CAANZ)

We believe that the SSBs need to consider ways to be more agile in response to emerging developments in markets and technology. It is important that revisions to standards and the development of new standards involves appropriate fact-finding, development and consultation to ensure that standards are fit for purpose. However, there are areas, such as technology, where the pace of change will be faster than standard setting can meet. The SSBs' strategies need to address how the SSBs will consider whether emerging developments warrant an amendment to the existing principles in the standards. Standard setting should not be the default response when responding to change. In the absence of clear evidence that a principle in the standards or the Code of Ethics requires amendment, the preferred response would be in providing guidance to assist PAPs in applying the existing principles to new situations.

The SSBs need to consider their strategies for producing guidance in an agile manner to assist practitioners to apply existing principles in standards to new technologies (or other developments). It would also be beneficial to consider whether there are circumstances where, if there is evidence that standard setting is required as a response, whether narrow-scope amendments may be able to address a development, rather than a full revision of a standard, if this would enable a faster response time.

5 – Increasing in importance

Consejo General de Economistas de España

5 – Increasing in importance

IAASB and IESBA should differentiate between far-reaching draft regulations, one-off modifications, and non-binding materials. In fast-paced matters such as AI, cybersecurity or technology, a timely guide or technical publication can often be more useful than waiting years for a complete review of standards. This is differentiating between substantial changes in ISAs and high-impact changes on minor or low-impact adaptations: On high-impact adaptations that may affect several ISAs, promote joint adaptation (e.g., changes due to the use of new technological tools). On minor changes, rely on the guidelines

Malaysian Institute of Accountants (MIA Malaysia)

5 – Increasing in importance

Our approach to assessing importance

While we acknowledge that agility is an existing priority for the SSBs, we believe its importance will be further heightened during the 2028–2031 strategy period. Continued geopolitical developments and the related risks of regulatory fragmentation will demand a swift and efficient response capability to uphold the relevance of, and confidence in, international standards.

Overarching comments

We recommend a renewed emphasis on agility through the development of more timely mechanisms for Board outputs. This could include a rapid-response framework to address urgent, narrowly defined issues, complemented by an annual improvements program for non-complex maintenance. Furthermore, the strategic use of high-quality non-authoritative guidance can provide practical clarity on applying principles-based standards to novel circumstances.

Concurrently, enhancing transparency around the initiation of standard-setting projects—by clearly articulating the rationale and evidence supporting the defined scope—would foster a stronger foundation for constructive dialogue with stakeholders on the prioritization of Board resources.

Matters specific to the IESBA

In a rapidly evolving landscape, particularly in technology and sustainability, there is a tangible risk that the cadence of formal standard-setting will not keep pace with change. We therefore encourage the IESBA to increase its use of Staff Publications and Alerts. Developed with appropriate Board and stakeholder input, these can serve as an effective interim means of providing timely guidance on emerging ethical issues while the Board evaluates the need for a formal standard-setting response. This approach would enhance the IESBA's responsiveness and build upon a mechanism it has already successfully deployed. Ultimately, agility should not be viewed solely as speed of response, but also as the ability of the SSBs to respond proportionately, transparently and effectively while continuing to uphold audit quality, ethical standards and public confidence.

Malta Institute of Accountants (MIA Malta)

5 – Increasing in importance

The SSBs should continue to deliver Board outputs and address urgent targeted issues through timely mechanisms. Using non authoritative guidance can help clarify standards for new situations.

Pan African Federation of Accountants (PAFA)

5 – Increasing in importance

The increasing pace of geopolitical, regulatory, and technological change requires the IAASB and IESBA to further enhance the agility of their standard-setting processes.

From an African perspective, agility should not only mean speed, but also responsiveness, proportionality, and practical implementability. This includes greater use of narrow-scope standard-setting, timely updates, and expanded use of non authoritative guidance where appropriate, to support consistent application in diverse environments. Enhanced agility will help ensure that standards remain relevant across jurisdictions with varying levels of maturity, while also reducing the risk of fragmented national responses. It should be complemented by stronger implementation support mechanisms, particularly for emerging and developing economies.

Agility should not necessarily imply accelerated or more frequent standard-setting, but should also include timely implementation

support, targeted interventions, and appropriate use of non-authoritative materials.

South African Institute of Chartered Accountants (SAICA)

5 – Increasing in importance

The SSBs should continue exploring agile approaches, including targeted revisions and timely non-authoritative materials.

For the IESBA, agility should be achieved through maintaining a principles-based Code rather than frequent rule changes.

The IESBA should:

- Continue relying on principles that remain relevant across changing environments, and
- Enable PAOs to provide jurisdiction specific guidance to address emerging issues.

This approach balances global consistency with local relevance.

11. Academics

European Accounting Association (EAA) Auditing, Assurance and Ethics Standard Committee

5 – Increasing in importance

The growing complexity of the standard-setting environment is a key cross-cutting concern. The accumulation of new standards and requirements is increasing, particularly in areas such as sustainability and technology. This complexity may impact the implementation and consistency across jurisdictions and firms of different sizes, with a direct impact on audit quality. The Committee encourages both the IAASB and the IESBA to prioritize clarity, coherence, and usability in their standard-setting work. Efforts to simplify requirements, enhance navigability, and reduce unnecessary complexity would support both practitioners and users, and ultimately contribute to a more effective and resilient standard-setting system.

12. Others

Kazuhiro Yoshii (Securities Firm)

5 – Increasing in importance

Louise Willdrige (LBW Global)

5 – Increasing in importance

Wai Man (Emily) Ho

5 – Increasing in importance

08.06. 6 – Strongly increasing in importance

02. Users of Financial or Non-Financial Information

Goro Kumagai (The Securities Analysts Association of Japan)

6 – Strongly increasing in importance

While the global political situation and regulatory landscape have become increasingly fragmented, the capital markets remain global, or more global than ever. This combination of fragmentation of the global politics and the tendency towards the more integrated global capital markets may require the SSBs more agile standards setting. In such an uncertain environments, the SSBs should focus on the agendas with clear necessities such as emerging technologies as AIs or those with relatively limited scopes.

Investment Company Institute

6 – Strongly increasing in importance

Focus on educational materials

More flexible and responsive mechanisms for addressing emerging issues

Jane Wilson (Wilsojay Investments)

6 – Strongly increasing in importance

It is imperative that you all factor in the huge costs you are loading onto companies, costs that the companies and their investors have to bear.

Kei Tsuchiya (The Securities Analysts Association of Japan)

6 – Strongly increasing in importance

Even where more agile standard setting is required, I consider it important to assess whether coordination among the SSBs and with other standard setters and regulators is necessary, in order to avoid sub optimal outcomes or fragmentation resulting from siloed approaches.

Martin Lawrence (Ownership Matters Pty Ltd)

Greater call for agility will be used as a 'Trojan Horse' to drop standards and become more permissive ('commercial')

6 – Strongly increasing in importance

03. Preparers or Issuers of Financial Statements or Other Information

Ascendia EOOD

6 – Strongly increasing in importance

Stronger coordination with specific subject matter experts and organizations related to - Risk management, sustainability, forensic, cyber and others.

Japan Business Federation – Keidanren

6 – Strongly increasing in importance

As with B-1

04. Those Charged With Governance

Kaori Ito (Yourmysyar Inc.)

6 – Strongly increasing in importance

Calls for greater agility in standard setting are strongly increasing as the pace of technological, organizational, and risk-related change continues to outstrip traditional standard-setting cycles. Enhancing agility—particularly by clarifying how judgment can be exercised responsibly in evolving circumstances—is critical to maintaining the relevance and public-interest impact of the SSBs' work.

05. Regulators and Oversight Authorities

Botswana Accountancy Oversight Authority (BAOA)

No matters to highlight

6 – Strongly increasing in importance

UK Financial Reporting Council (UK FRC)

The SSBs generally take several years to complete projects to review and develop revised/new standards. Sustainability has been something of an exception, but on the whole the SSBs do not have a reputation for being particularly "agile". We strongly encourage the SSBs to maintain the level of responsiveness that sustainability has shown to be possible when undertaking their other projects.

Both SSBs typically undertake significant information gathering at the outset of contemplating a new project and in the period after agreeing a project proposal. Consideration should be given to whether the development of exposure drafts could be commenced somewhat sooner in the process, taking account of that there is often a particular issue already identified that started the contemplation of the project. For example, we note that for the IAASB's current audit evidence and risk response project information gathering started in March 2024, but a project proposal was not agreed until December 2024 with an ED targeted for June 2026 and the final revised standards targeted for December 2027 – if completed on time, that is almost four years from initiation of the information gathering to final approval.

Similarly, the IESBA's current firm culture and governance project was first raised at the IESBA's March 2024 board meeting with the project proposal agreed in December 2024 and final pronouncements unlikely to be seen until sometime in 2027. The completed tax planning and related services project took from September 2019 until April 2024.

We emphasise that we are not criticising the quality of the SSB's output, but there is a need to be more agile in getting it.

Further, we believe the SSBs need to think more about the balance between standard setting and developing non-authoritative material (NAM). Currently it appears that there is more focus on NAM. NAM can play a very beneficial role but it should never be a substitute for necessary standard setting. For example, if the PIRs identify how the standards could be improved, the standards should be revised accordingly rather than seeking to address issues by way of NAM. One of the downsides of NAM can be a lack of clarity as to the actual expectations of practitioners applying the related standards, which is unhelpful for all stakeholders, including users of the outcome of the work and regulators.

6 – Strongly increasing in importance

06. Jurisdictional and National Standards Setters (JSS)

Auditing and Assurance Standards Board of Canada (AASBC)

6 – Strongly increasing in importance

- The increasing pace of technological change (highlighted in our response to Section A) reinforces the need for greater agility in standard setting. Without timely adaptation, standards and related standard-setting activities risk losing relevance. Maintaining flexibility and responsiveness in the standard-setting process will enable SSBs to adapt to emerging developments and evolving needs in a timely manner.

Brazil Institute of Independent Auditors (IBRACON)

6 – Strongly increasing in importance

Due to fast changes and an evolving environment, it's important to have a greater agility in standard setting to achieve global consistency on key emerging topics.

New Zealand Auditing and Assurance Standards Board (NZAuASB)

6 – Strongly increasing in importance

RESPONSIVENESS AND AGILITY IN STANDARD SETTING IS REQUIRED

The SSBs need to be, and be seen to be, responsive to a rapidly evolving context, able to pivot and adapt as needed. As market dynamics shift, stakeholders expect the SSBs to demonstrate agility while maintaining strong connections to stakeholders and users, ensuring standards continuously remain relevant.

SCALABILITY AND PROPORTIONALITY REMAINS IMPORTANT

With this increased agility, it is important that standards continue to be scalable and proportionate. The SSBs should consistently evaluate and understand the costs and benefits associated with standard setting solutions throughout the process, ensuring that the value of new requirements aligns with the expectations of primary users.

TIMELY POST-IMPLEMENTATION REVIEWS AND FOCUS ON ADOPTION AND IMPLEMENTATION

We encourage the SSBs to be bold, not overly cautious, addressing challenges proactively on a timely basis. This includes reducing the timelines for post-implementation reviews. Our recent experience reflects that post-implementation reviews commence as soon as standards are adopted, allowing SSBs to respond quickly to immediate feedback, with tools ranging from new guidance to targeted amendments. Delayed reviews, such as those starting five years later, may not serve the public interest in today's rapidly evolving landscape.

Real time auditing may soon be possible and there could be merit in exploring a different approach to standard setting with a greater focus on adoption and implementation and active engagement with stakeholders as standards are being implemented to identify and address emerging issues.

BALANCING PRINCIPLES-BASED STANDARDS WITH PRACTICAL GUIDANCE

While principles-based standards remain appropriate, there is an increasing need for additional guidance as circumstances evolve. Providing timely adoption and implementation guidance is essential to meet stakeholders' needs. Given increasing demands and use of non-authoritative guidance, balancing rigorous processes that foster coordination with jurisdictional standard setters and other subject matter experts, but do not slow down the ability to be responsive will be key.

Saudi Organization for Chartered and Professional Accountants (SOCPA)

6 – Strongly increasing in importance

07. Accounting Firms

Alan Am

6 – Strongly increasing in importance

Baker Tilly International

6 – Strongly increasing in importance

This aspect must be consistent with the previous areas and comments made.

BDO International Limited

6 – Strongly increasing in importance

See our responses to Section III, Q4.

We strongly support moves by both SSBs to have greater agility in standard setting. This cannot be achieved by having: - An SWP and initial Survey process which is based too many years into the future (see our recommendation for having a 2- year cycle with 6-monthly reviews to enable greater agility):

- o Now might also be the time for both SSBs to consider the standards/changes to the Code development cycle and to see if speedier routes to market for finalised standards can be achieved.

- A focus on new/revising of standards/changes in the Code at the expense of investment in more guidance of what is extant: o The standards are principles-based which need more guidance and implementation support to enable a reduction in risk of fragmentation globally.

- o See our earlier recommendations for drafting and monitoring KPIs around adoption/implementation. - To speed up agility and responsiveness to emerging issues, we would advocate that both SSBs look to how other standards setters operate (nationally, internationally) and set up a joint emerging issues task force to respond to urgent issues which occur from time to time (i.e., geopolitical, conflict, capital market critical events) and which require a more urgent approach to provision of guidance to help maintain confidence in the work of professional accountants in business and practice and capital markets. - To be more responsive to changes but still remain relevant, both SSBs should focus on:

- o Development of NAM, making it clear that this is different from a new/revised standard/the Code and that NAM should not be seen as a de facto proxy for 'requirements' and which are more educational in nature. There needs to be dialogue with major regulators (such as IFIAR) to emphasise this point.

- o Gathering appropriate stakeholder input and support for development of NAM (linked to practitioner perspectives, root cause analysis reasons for poor/fragmented take-up globally, etc.)

- o Considering improved language describing the nature and purpose of NAM (and as we noted in earlier sections, there are several types of NAM such as FAQs, videos, educational content, etc.)

- o A root and branch reconsideration of due process – including how both SSBs can make substantive changes to extant parts of standards/the Code in a more agile and timelier way.

Gats-Ratings Professionals

6 – Strongly increasing in importance

Grant Thornton International Ltd (GTI)

6 – Strongly increasing in importance

Both SSBs

We support this outreach survey and the SSBs' individual strategy and work plan consultations to obtain feedback from a variety of stakeholders. Given the pace of change in recent years, we suggest the SSBs consider a) more frequent outreach during the strategy period to confirm whether priorities remain appropriate; and b) a transparent process to make changes to the work plan when needed (including explaining why priorities changed). We agree that issuing non-authoritative materials or undertaking more narrow-scope standard setting projects to address targeted matters would improve both stakeholder engagement and the agility and responsiveness of the SSBs to emerging needs. We also recommend that the SSBs seek more expert input into the drafting of their respective standards from the profession.

IAASB

Some multi-year projects risk becoming outdated by the time revised standards become effective. For example, the Audit Evidence and Risk Response and ISA 500 Series projects began in 2020, 2024, and 2025, but the revised standards are not expected to be effective until December 2029. We are not aware of evidence that the affected standards are no longer fit for purpose without being modernized to facilitate the use of technology on an engagement. In particular, firms have adapted existing standards and developed methodologies related to the use of technology in performing inventory counts and using intermediaries to perform external confirmation procedures. We therefore question whether broad revisions are the best use of resources. We encourage the IAASB to consider whether targeted amendments and/or non-authoritative guidance could achieve the ISA 500 Series objectives more quickly than full scale standard revisions.

IESBA

Certain projects currently being undertaken by IESBA are already substantially addressed by the existing principles-based standards and the conceptual framework in the IESBA Code. For example, we consider that the Code as it is currently written adequately addresses firm culture and governance and recent ethical failures are a result of not applying the current code appropriately. The IESBA Code's principles-based standards scale changes across new technologies, emerging service models, new organizational and firm structures, and roles by evaluating and addressing the variable threats potentially created with a principles-based approach.

In consideration of this, we recommend the IESBA consider issuing non-authoritative guidance in these areas as opposed to new standard setting.

Jack Schoeman (PWC)

6 – Strongly increasing in importance

The main impact of this trend is that standard setting often takes years while the market and technology change in months. This delay can make the SSBs' requirements feel outdated before they are even fully implemented. We do not need more legislation or more layers of regulation that slow the process down further. Instead the boards should update their own processes to allow for more frequent and smaller updates rather than waiting for massive overhauls. This is the only way to ensure the SSBs remain relevant and can respond quickly to the expectation gap on fraud and going concern in a fast moving world.

Krzysztof Burnos

6 – Strongly increasing in importance

Need for the simplification.

Kudos International

6 – Strongly increasing in importance

08. Sustainability Assurance Providers other Than Accounting Firms

Keung Ho Keung Ricky

6 – Strongly increasing in importance

09. Public Sector Organizations

Audit Board of Republic Indonesia

6 – Strongly increasing in importance

Due to the expectation to improve the quality of output, standard shall answer the needs of users

10. Member Bodies or Other Professional Accountancy Organizations

Institute of Public Accountants (IPA)

As stated in our response in B.1. there has been a large volume a large volume of consultation documents for stakeholders to comment on over at times a short time frame, while on other occasions over a protracted period.

IPA is of the view that to address the changing geopolitical and regulatory landscape, including the risk of fragmentation, the SSB will need to adopt a more agile approach to standard-setting. That is, take the time to set standards with principles that are holistic, robust and future proof to the extent possible for changes in the environments and regulations. The requirements in the standards should also, where possible, be scalable for implementation by all different entity size and complexity. This approach would reduce the need for the standards to be amended or revised in the short term. Instead, matters subsequent to the issue of the standard should be addressed in the form of non-authoritative materials or narrow scope amendments to the standard. This would enable the SSB to respond to the stakeholder needs in a more responsive and timely manner and for all applicable entities to implement the requirements.

6 – Strongly increasing in importance

Pavel Dimitrov (Union of Accountants in Bulgaria)

6 – Strongly increasing in importance

The rapidly shifting geopolitical and regulatory environment requires the standard-setting process to be more agile, timely, and responsive. Greater agility is essential to ensure that global standards remain relevant, coherent, and aligned with emerging risks and regulatory expectations. A rating of 6 reflects the critical importance of enabling the IAASB and IESBA to adapt quickly while maintaining due process and public-interest oversight.

Polish Chamber of Statutory Auditors (PIBR)

6 – Strongly increasing in importance

11. Academics

Kiran Seth (Sunway University)

6 – Strongly increasing in importance

Nicole Ratzinger-Sakel (University of Hamburg Business School)

6 – Strongly increasing in importance

Highlights the importance of principle-based standards in an environment that rapidly changes.

12. Others

AIDS Committee of Toronto

6 – Strongly increasing in importance

See above.

Mahmoud Bilal (Unimar)

6 – Strongly increasing in importance

08.07. Letters providing separate ratings for IAASB or IESBA

06. Jurisdictional and National Standards Setters (JSS)

Accounting Professional & Ethical Standards Board (APESB)

Matters for the IESBA:

APESB considers this to be a key area of focus. As highlighted in the earlier response, the current geopolitical and regulatory environment reinforces the need for greater agility in international standard-setting. Geopolitical risks are increasing, regulatory priorities are diverging across jurisdictions, and the pace of external change is accelerating. In this context, the traditional timelines and sequencing of standard-setting activities are increasingly misaligned with the speed at which new risks and regulatory expectations are emerging.

To maintain relevance and global consistency, APESB considers that the IESBA should work towards strengthening its capacity to act with greater agility. This includes the ability to issue timely guidance or clarifications, deploy narrow scope amendments, and adjust work plans dynamically in response to emerging developments. Enhanced agility would complement the principles-based nature of the Code and support its application in an environment characterised by uncertainty, regulatory divergence, and rapid change.

APESB therefore encourages the IESBA to prioritise operational and strategic mechanisms that enable more responsive and adaptive standard-setting.

6 – Strongly increasing in importance

American Institute of Certified Public Accountants - Professional Ethics Executive Committee and Auditing Standards Board (AICPA PEEC & AICPA ASB)

IESBA and IAASB rating: 6

The standards should be sufficiently principles-based to remain relevant as issues and practices evolve, without requiring a new standard each time a new topic emerges. Accordingly, changes to standards should be pursued only after other tools — such as nonauthoritative or educational materials — have been thoroughly considered. Principles-based standards are also more enduring; frequent or piecemeal revisions are unlikely to stand the test of time and can impose significant costs to adopt, implement, and sustain relative to a marginal quality benefit.

The SSBs should consider not only the pace of final standard issuance, but also the cumulative resource demands on stakeholders, particularly practitioners, throughout the entire standard-setting lifecycle. Meaningful engagement does not begin when the standard is exposed or finalized; it is required throughout the lifecycle. Each of these phases requires time, expertise, and coordination.

Although the SSBs have indicated that no new standards will be finalized until 2027, this largely reflects a timing shift rather than a reduction in stakeholder burden, as project activity and the associated expectation of sustained stakeholder engagement remain high.

For example, in 2026

- IAASB has five public exposures planned (e.g., joint IAASB-IESBA strategy survey, ISA 540 PIR, audit evidence and risk response project (which affects three core standards and many conforming amendments to others), the ISRE 2410 ED, and the first exposure draft to update the ISA for LCE for going concern and fraud).
- IESBA has four planned public exposures (e.g., joint IAASB-IESBA strategy survey, Role of CFOs survey, Post Implementation Review of the Restructured Code survey, and Post-Implementation Review of the Provisions on Responding to Non-Compliance with Laws and Regulations (NOCLAR) survey).

These activities represent a significant continuing call on stakeholder resources, even in the absence of issuance of final standards. Greater acknowledgment of, and transparency about, this reality would support more realistic expectations about stakeholder capacity and help ensure that engagement remains meaningful and sustainable over time. The SSBs need to prioritize which matters are most important given finite resources and the SSBs own capacity, as well as those of stakeholders to participate optimally in due process.

Against that backdrop, we find the IESBA code fit for purpose for professional accountants serving as CFOs. Though the environment for professional accountants in business is evolving, these changes introduce new contexts rather than new ethical threats. Accordingly, we do not believe a standard-setting project is currently necessary. Further, because many CFOs fall outside the code's scope, targeted communications reinforcing existing requirements will more effectively address the identified concerns and support alignment with sound governance practices.

Relatedly, we believe firm culture and governance can be more effectively addressed through jurisdiction-specific audit firm governance frameworks than through an IESBA standard-setting project. Therefore, we suggest IESBA should not pursue a standard-setting project on this topic.

For the IAASB, we recommend removing XBRL assurance from the 2024–2027 work plan. Moreover, consistent with our response to question 4, it would allow the IAASB to be more needs-based focused, which we anticipate will relate to monitoring and other work to understand the ongoing market demand for non-financial assurance in areas such as AI assurance, cybersecurity, and matters related to data privacy.

6 – Strongly increasing in importance

Australian Auditing and Assurance Standards Board (AUASB)

5 – Increasing in importance

Improving agility to accommodate changing circumstances through guidance can assist in responding quickly to stakeholder needs. As reliance on non-authoritative materials grows, it is important to maintain sufficiently robust processes and coordinate with jurisdictional standard setters and subject-matter experts.

Institut der Wirtschaftsprüfer (IDW)

0 – I do not agree that this is a trend to be considered

We do not support the idea that greater agility in standard setting in the narrow sense of changes to, or new, standards, since this implies more frequent updates or "reactionary" standards of greater granularity, rather than standards being principles based and therefore being capable being applied to new circumstances. Standard setters should instead prioritize simplification, usability, and implementation of existing standards.

Quick fixes that do not stand the test of time do not lead to durable and robust standard setting that provides a stable platform for the profession and the wider ecosystem.

Nevertheless, the SSBs should be agile in responding to changing or emerging risks, but agility should not be equated with new standards setting. Agility should also mean removing redundant requirements that have become obsolete, and being willing to pause or abandon projects when they are no longer justified. Changes to standards – in particular for IESBA – should be a measure of last resort, used only after more proportionate responses have been appropriately considered.

Nordic Federation of Public Accountants (NRF)

3 – Slightly decreasing in importance

We support greater agility in the work of the standard setting boards, and we believe it will be increasingly important as the profession moves into an uncertain and rapidly changing future. At the same time, agility should be exercised with appropriate caution. Not every emerging issue requires an immediate response, and quick solutions should primarily be addressed through non authoritative guidance, which provides flexibility without compromising the stability of the standards. It is essential that both the Code and the standards remain stable, principles based, and usable. Frequent changes risk undermining their effectiveness, increasing complexity, and making global adoption more difficult. Agility should therefore focus on timely support, clarification, and guidance — while preserving the long term coherence and durability of the authoritative texts.

07. Accounting Firms

Ernst & Young Global Limited (EY)

We agree there is a need for a more adaptive standard-setting process that allows for addressing issues in a timelier manner in the current geopolitical climate, and believe this need will increase, especially as it relates to the use of emerging technology. To ensure the quality and perceived usefulness of the output, we believe it will be important for the IAASB and IESBA to balance agility of the issuance of NAM (as well as any proposed narrow scope amendments to the standards) with the importance of robust due process and broad stakeholder input.

The following paragraphs provide further recommendations specific to each Board:

IAASB matters

Firms are currently in the position of needing to determine an approach or solution to emerging practice issues years ahead of when the IAASB releases revisions to its standards to address the issues. However, we believe there are challenges to the IAASB's ability to issue agile guidance, due to capacity constraints, including limited technical expertise in certain areas, as well as the IAASB's current focus to develop and revise standards.

For the IAASB to commit to robust implementation support, we believe formal collaboration protocols with others, including IFAC, PAOs, JSS and FoF need to be established, and in relation to technology matters, the establishment of the Technology Experts Panel needs expedited. See also our response to Question 4. In addition, to increase agility, we recommend the IAASB review and update its current processes to issue NAM and narrow scope amendments to its standards to ensure robust due process is retained.

IESBA matters

Given the recent significant revisions to the IESBA Code, IESBA should establish a process to address narrow scope amendments (e.g., minor fixes and updates) as unintended consequences emerge during adoption and implementation. Such a process should be in addition to an appropriately robust due process for the development of NAM that includes broad stakeholder input, including specific input from the profession.

IESBA should also establish a process to analyze specific incidents, emerging matters or implementation issues in context of the current requirements of the IESBA Code. The issuance of NAM illustrating the proper application of the IESBA Code, particularly the fundamental principles of the IESBA Code, to such matters would result in greater agility by the Board and also promote appropriate compliance with the existing IESBA Code.

5 – Increasing in importance

KPMG International Limited

5 – Increasing in importance

IAASB – 5 Increasing in importance, IESBA – 5 Increasing in importance

We believe the trend "Call for Greater Agility in Standard Setting" will increase in importance over the survey period, as a result of a growing need to issue materials more rapidly and in a more targeted manner to address emerging issues and evolving areas of focus. An agile approach would allow the Boards to focus limited resources on areas of greatest public interest impact, while ensuring that existing standards remain relevant/current and capable of consistent implementation.

IAASB

Development of Guidance and Other Materials

We believe that a critical component of agility for the IAASB is to encompass greater flexibility in how issues are addressed, recognizing that issuing a new standard or making incremental changes to existing standards is not always the most effective response to emerging issues and practical challenges. We recommend that the IAASB explore alternative avenues to develop material that better supports the needs of auditors/assurance practitioners and other stakeholders without impacting on the principles-based approach taken by the standards themselves.

In particular, we recommend that the IAASB consider issuing non-authoritative material (including guidance and/or FAQs), which is able to be developed on a more timely basis to respond to emerging issues as they arise, with reduced formality of due process, and is better able to be kept current. Such guidance can be targeted more specifically to address emerging challenges, or priority areas, and, as practice matures, may later be codified within the standards themselves. For example, guidance and illustrative examples may be developed to address particular assurance engagement subject matters (e.g. in respect of technology), and/or specific aspects of the assurance engagement itself (e.g. in respect of group entities, or materiality) in greater depth, to support implementation of ISSA 5000 (or ISAE 3000 (Revised)). We refer the IAASB to their Non-Authoritative Guidance on Applying ISAE 3000 (Revised) to Sustainability and Other Extended External Reporting (EER) Assurance Engagements, which was well received.

To develop materials, we recommend that the IAASB convene working groups and facilitate discussions of key stakeholders to understand and explore emerging issues and specific challenges, with the IAASB having a critical role in framing the debate and shaping discussions to enable the working groups to form views as to best practice. We recommend that such working groups draw representatives from the following, in order to help develop output that is (and is seen to be) independent, taking care to avoid "scope creep" in terms of inadvertently establishing requirements that would be above and beyond those set out in the standards themselves:

- the profession, to draw on their significant expertise and detailed insights in relation to developing practical solutions to emerging issues;
- regulators, both those that regulate the profession, as well as, where relevant, those that regulate industry sectors such as the banking sector or markets, to draw on their deep insights into emerging issues as a result of their close interaction and discussions with the profession and with industry, as well as through their inspection and oversight roles. Regulatory involvement also helps to provide a recognized basis for views formed and positions reached within materials that are non authoritative;

- standard-setters, including jurisdictional standard-setters with deep expertise and who may also have developed practical guidance for use locally, which is able to be leveraged/adapted for global use (e.g. the EER guidance); and
- others, including academia, which have conducted detailed research and are able to provide significant contributions in terms of thought leadership.

Adapting Workplans to Respond to Emerging Issues

In connection with the above, we also recommend that the IAASB's strategy and workplan include more flexibility to enable the IAASB to re-prioritize, pause or discontinue projects; to amend the scope of projects, even when the project plan has been formally approved; and to pivot to new projects, where evidence, including feedback received, demonstrates that such changes would be in the public interest.

We also recommend that the IAASB explore their staff secondment model, to ensure that there is an appropriate mix of the following:

- experienced resources with deep technical expertise, capable of addressing longer-term projects and cross-cutting issues;
- resources with appropriate specialist knowledge and skills, who may be seconded on a shorter-term basis; and
- resources with practical experience, to consider implementation issues and solutions to emerging challenges.

IESBA

From the IESBA perspective, the need for greater agility in standard setting is also increasing in importance, particularly as technological change and market developments accelerate and become harder to predict. There is a growing need not only to plan for emerging issues, but also to respond quickly when new risks or practices arise unexpectedly, including those linked to emerging technologies.

Agility should encompass:

- greater flexibility in how issues are addressed, recognizing that issuing a new or revised standard is not always the most timely or effective response;
- increased use of non authoritative or targeted materials to respond more quickly, yet balanced with the need for appropriate due process, to challenges in practice and, where appropriate, inform later standard setting;
- more timely post implementation reviews, with a willingness to adjust standards where evidence shows they are not operating as intended; and
- a readiness to pivot priorities, pause, narrow or discontinue projects when evidence supports a different approach. Such agility is essential for the IESBA to remain responsive as conditions evolve over the strategy period. The ability to adapt work plans and outputs over time will be important to maintaining relevance, supporting adoption, and serving the public interest in an increasingly fast changing environment.

09. Public Sector Organizations

United States Government Accountability Office (GOA)

0 – I do not agree that this is a trend to be considered

The lengthy process to develop a new or revised standard is a feature, not an obstacle to be overcome or avoided. When stakeholders of various types initially identify an emerging issue, there may be many proposed ideas that initially sound reasonable and desirable and that would cause no issues for many affected audited entities. However, entities affected by the standards can have very different characteristics (public or private, large or small, complex or simple structure, highly regulated or emerging industry, etc.), and unintended and undesirable consequences are often identified as affected users have time to analyze the changes, raise questions about their applicability with other standards, and consider the impact on specific industries. If the process is truncated, quick "gains" of a rapid standard-setting process will likely be offset by unscrutinized ramifications, creating an urgent need for a subsequent correction.

Rather than shortening the standard-setting process, we suggest that the SSBs consider developing guidance for applying the existing standards in a new or problematic area while proceeding through the process.

10. Member Bodies or Other Professional Accountancy Organizations

Accountancy Europe (AE)

0 – I do not agree that this is a trend to be considered

We do not support the idea that greater agility in standard setting is required if this implies more frequent updates or additional standards. Standard setters should instead prioritise simplification, usability, and implementation of existing standards. Quick fixes that do not stand the test of time do not lead to durable and robust standard setting that provides a stable platform for the profession and wider ecosystem.

IAASB rating: 0 I do not agree that this is a trend to be considered

There is already a significant volume of standards, which are increasingly complex and difficult to implement. More frequent updates would worsen this situation. Greater agility should instead focus on non-authoritative material, practical examples and timely support.

IESBA rating: 0 I do not agree that this is a trend to be considered

The Code should remain stable, and principle-based. Recent developments have made the Code increasingly rules-based, moving away from its original principles-based foundation. Greater agility should instead focus on non-authoritative material, practical examples and timely support.

Global Accountancy Alliance (GAA)

0 – I do not agree that this is a trend to be considered

Combined Rating: 0

We agree that the SSBs should be agile in responding to changing and emerging risks. However, agility includes not only choosing non-authoritative materials over full standard-setting or narrow-scope projects but a willingness to pause or discontinue projects when they are no longer justified, irrespective of whether those projects involve standard setting or non-authoritative materials. For example, we believe the IESBA has received sufficient stakeholder input to discontinue the possibility of revising the Code in relation to the FCG and CFO projects; similarly, we believe the IAASB has obtained sufficient global input that neither standard setting nor nonauthoritative material is needed on the topic assurance over XBRL. Agility should also involve reprioritizing work as issues evolve and staff resources shift. In addition, post-implementation reviews should be used to identify requirements that could be refined or removed because they have created unintended consequences or are no longer appropriate for the global market. New requirements should be added to the Code only where there is a clear global risk to address. This would help preserve the Code's durability and avoid reactive changes that are unlikely to stand the test of time.

Institute of Chartered Accountants in England and Wales (ICAEW)

4 – Slightly increasing in importance

IAASB rating: 4

IESBA rating: 4

ICAEW encourages agility in standard-setting by the SSBs.

But agility in standard-setting does not necessarily equate to being reactive to short-term trends by introducing new standard setting projects. Technology that is at the forefront now, will not necessarily be the same as that in 2031.

It relies on developing new standards at pace when required (eg, ISSA 5000), ensuring they remain principles-based and stand the test of time, all while enabling non-authoritative guidance and education in other instances.

Agility is best supported by the consistent application of a principles-based approach towards standard setting. An approach which proposes new standards only where they are strictly necessary to meet clearly identified issues; and which prioritises the development of practical guidance which can easily be updated in real time, over the continual promulgation of a detailed and increasingly unwieldy body of rules.

Standards are hardly ever reduced or removed. ICAEW encourages the SSBs, in their post-implementation reviews, to identify any standards which are no longer fit-for-purpose or which have failed to achieve the intended objective.

Institute of Chartered Accountants of Scotland (ICAS)

0 – I do not agree that this is a trend to be considered

Combined IESBA and IAASB – Rating – 0

We believe that the SSBs should be agile in responding to changing and emerging risks. Such agility, however, is multi-faceted and also requires a willingness to pause, reprioritise, or discontinue projects when they are no longer justified, whether they involve standard-setting or non-authoritative materials. In our view, the IESBA should discontinue the possibility of making revisions to the Code relating to the Firm Culture and Governance and Role of the CFO projects, and the IAASB should likewise conclude that no further work is needed on assurance over XBRL.

Agility should also be supported by a readiness to refine or remove requirements that are no longer justified where there is a strong evidence base to do so. New requirements should be added only where a clear systemic international risk is demonstrated. This would help preserve the durability of the standards and avoid reactive change.

International Federation of Accountants (IFAC)

IFAC agrees that agility in standard setting is important, but agility should not be misinterpreted as increased or faster paced standard setting. IFAC believes the SSBs should aspire to be agile through disciplined prioritization, evidence gathering, timely implementation feedback and proportionate interventions. The more important point is whether the SSBs are using the right intervention for the issue identified, distinguishing between full standard-setting projects, narrow scope amendments, implementation support, non-authoritative material, FAQs and other practical tools. Non-authoritative material can be useful where a timely response is needed, but there is risk that such material can be treated by some regulators as pseudo requirements. This means the SSBs should be clear about the purpose, authority, intended use and limitations of any non authoritative material.

Agility should also include the SSBs reviewing their own standard-setting process, including whether due process, cost-benefit analysis and post-implementation reviews are sufficiently timely and effective. The standard-setting process itself is a key matter the SSBs should examine, rather than focusing only on external trends.

4 – Slightly increasing in importance

08.08. No rating provided but with comments

01. Monitoring Group

International Federation of Independent Audit Regulators (IFIAR)

. Key considerations for the IAASB and IESBA include:

- Targeted scope standard setting projects where clarification of the ISAs or the IESBA Code is needed.

- Development of guidance, where appropriate, to be developed in a timely manner while not compromising the quality of the process put in place to incorporate stakeholders' views.
- Continued consideration of scalability and proportionality, particularly for smaller and less complex firms.
- Timely post implementation reviews to assess whether standards are operating as intended across jurisdictions and firm sizes.

Call for Greater Agility in Standard Setting

17. The accelerated use of AI increases the risk that standards grounded only in detailed or prescriptive requirements will quickly become obsolete. To remain effective as technology evolves, standards should remain inherently principles-based, enabling them to apply across changing tools, systems, and use cases. While increased agility in standard setting is important to respond to emerging risks and trends, this must be balanced with due process, clarity, and a strong public interest focus.

International Organization of Securities Commissions (IOSCO) Committee

B.3 Call for Greater Agility in Standard Setting

We support efforts to enhance agility in responding to emerging issues, including the ability to act in a timely and proportionate manner. To achieve this, we encourage the Boards to maintain sufficient flexibility in allocating resources and to clearly distinguish between matters that warrant authoritative standard setting and those that can be addressed through quicker, principles-based materials. We also emphasize the importance of incorporating stakeholder input to ensure that any guidance developed is operable in practice. In particular, we support the strategic use of non-authoritative materials to address urgent issues and promote consistent application by providing practical guidance, such as relevant examples, that support the application of the principles within the auditing, assurance, ethics or independence standards.

05. Regulators and Oversight Authorities

Canadian Public Accountability Board (CPAB)

Call for Greater Agility in Standard Setting

CPAB supports calls for greater agility in standard setting and agrees that this trend is increasing in importance. In this rapidly changing environment, CPAB encourages the IAASB and IESBA to focus on the areas that will have the greatest impact on audit quality and protecting the public interest. In addition to improving the coordination between the IAASB and IESBA, strong coordination with accounting standard setters remains important to ensure that new and evolving accounting standards are auditable in practice and can be implemented consistently across jurisdictions.

At the same time, CPAB emphasizes the need for balance as agility should not come at the expense of due process, clarity, or public interest. CPAB encourages the IAASB and IESBA to:

Make greater use of non-authoritative guidance, where appropriate, to respond to emerging issues in a timely manner.

Undertake narrowly scoped standard setting projects when targeted clarification is needed.

Continue to emphasize scalability and proportionality of audit procedures, particularly for smaller and less complex entities.

Prioritize timely post-implementation reviews to ensure standards are operating as intended across firm sizes and jurisdictions.

10. Member Bodies or Other Professional Accountancy Organizations

CPA Australia

0 – I do not agree that this is a trend to be considered

B.3 Calls for greater agility in standard setting:

Respond by improving the SSBs' toolkit and cadence (faster non-authoritative support, clearer prioritisation and narrower scopes), not by accelerating major standard rewrites. For the IAASB, build capacity for iterative guidance and targeted clarifications linked to implementation feedback. For the IESBA, plan for both anticipated and unanticipated issues through timely staff alerts/fact sheets and structured PIRs, reserving Code changes for durable, evidenced gaps.

08.09. No specific response

02. Users of Financial or Non-Financial Information

Sarasin & Partners

05. Regulators and Oversight Authorities

Committee of European Auditing Oversight Bodies (CEAOB)

Irish Auditing & Accounting Supervisory Authority (IAASA)

Public Accountants and Auditors Board Zimbabwe (PAABZ)

Public Company Accounting Oversight Board (PCAOB) – Views of the PCAOB Chief Auditor