

Meeting: IESBA

Meeting Location: Madrid, Spain

Meeting Date: September 14-18, 2026

Agenda Item

8

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

Objectives

1. To consider an update from the IESBA Project Team (PT)¹ on the information-gathering activities to date and proposed actions for Q4 2026.

Activities Since the June 2026 IESBA Meeting

2. At its [June 2026 meeting](#), the IESBA approved the [Terms of Reference](#) (ToR) to prioritize further information-gathering on PE&OEI developments beyond the work undertaken to inform the July 2025 [IESBA Staff Alert](#). This workstream will seek to further understand global developments and analyze key ethical, including independence, considerations related to PE&OEI and the broader evolution of accounting firm structures and ownership models. This work will inform the IESBA's assessment of whether a standard-setting project or other actions are warranted.
3. During the executive session at the June 2026 IAASB meeting, the IAASB Chair and Senior Staff updated the IAASB regarding developments and a proposal for the IAASB to join the IESBA in undertaking Phase 1 information-gathering activities and finalizing a report that could inform both Boards about any further actions within their respective remits. The IAASB was broadly supportive to proceed. As of July 1, 2026, two IAASB staff members and a Project Board Member have been assigned to this workstream to work collaboratively with the IESBA Project Team and Board Advisors..
4. The ToR envisages close collaboration between the two Standard-Setting Boards (SSBs) during the information-gathering phase, rather than a joint workstream at this stage. This collaboration seeks to:
 - (a) Build a shared understanding of evolving PE&OEI structures and business models;
 - (b) Identify issues affecting ethics, independence, quality management, audit and other assurance quality, and the public interest;

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

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

IESBA member liaison with Firm Culture and Governance (FCG) project: Channa Wijesinghe, IESBA Vice Chair

- (c) Coordinate outreach and research activities, where appropriate;
 - (d) Facilitate information sharing and avoid unnecessary duplication; and
 - (e) Enable each SSB to determine any future standard-setting or other response within its remit, while maintaining interoperability between the SSBs' standards.
5. This approach is intended to help the two SSBs consider matters of mutual interest efficiently and on an evidence-informed basis, while respecting each Board's distinct mandate and maintaining interoperability between their standards.

Information-gathering Activities

6. **Agenda Item 8A** sets out the IESBA-IAASB Joint Paper, which summarizes the initial feedback received through stakeholder engagement and research findings from the information-gathering activities undertaken to date, including:
- (a) **Desktop research** on jurisdictional regulatory frameworks and oversight requirements for accounting firms; regulatory responses to PE&OEI in accounting firms; recent market developments in PE&OEI in accounting firms; and private equity investment in other industries; and
 - (b) **Stakeholder outreach**, including the development and dissemination of stakeholder questionnaires.

Stakeholder Questionnaires

7. In July and August 2026, the SSB project teams² developed two questionnaires³ (**Agenda Items 8C and 8D**) to gather data, insights and other information to help the SSBs better understand the global evolution of accounting firm structures and ownership models, as well as any regulatory and professional body responses to the developments. The questionnaires are intended to help inform both Boards about whether any further action may be needed by supporting their assessment of:
- (a) For the IESBA, potential ethical, independence, and public interest implications; and
 - (b) For the IAASB, potential quality management implications and broader audit and assurance quality considerations, and public interest implications.
8. The IESBA will receive an update from the IESBA PT at the December 2026 meeting on the themes, topics, and practices emerging from the responses to the questionnaires. In view of the potentially sensitive nature of the information gathered, responses will not be attributed to individual respondents or organizations and will be reported on an aggregate basis.
9. The **Appendix** to this agenda paper summarizes the stakeholders engaged to date.

Other Activities

10. In July 2026, IESBA staff attended [Accounting Today's PE Update Virtual 2026 Summit](#), a half-day event examining the continued growth and evolution of private equity (PE) and other forms of

² IAASB Project Team members: Willie Botha, Hanken Jane Talatala, Kristie Zhang
IAASB Board Advisor: Greg Schollum

³ One for professional accountancy organizations, regulators and jurisdictional standard setters and the other for accounting firms

strategic investment in accounting firms. The program explored how firms are responding to succession pressures, capital and talent constraints, and investment needs through alternative ownership and growth models. Sessions also considered the changing structure of PE transactions, including implications for governance, leadership control, compensation and exit strategies, and featured perspectives from firm leaders that have evaluated, pursued or declined PE investment. The discussions provided useful insights into the evolving nature of PE involvement in the profession and the strategic and governance considerations arising as accounting firms assess outside capital and alternative ownership structures.

Updated Joint Action Plan

11. **Agenda Item 8B** sets out the Joint IESBA-IAASB Action Plan for Phase 1 (Joint Action Plan) outlining information-gathering activities in accordance with the ToR. It translates the ToR into a structured program of planned research and stakeholder engagement and provides an important opportunity for the SSBs to share information and coordinate their analyses, while maintaining their respective mandates and perspectives.

Action Requested

12. IESBA members are asked for their views and observations on the IESBA PT's:
 - (a) Initial findings from the information-gathering activities to date as set out in **Agenda Item 8A**; and
 - (b) Proposed actions for Q4 2026 as set out in **Agenda Item 8B**.

Next Steps

13. In the lead-up to and during the December 2026 IESBA meeting, the IESBA PT will:
 - (a) Continue executing the Joint Action Plan in collaboration with the IAASB Project Team; and
 - (b) Update the IESBA on the information-gathering activities carried out during Q4 2026, feedback received from stakeholders, and key findings and themes.

Materials Presented

Agenda Item 8A	Joint IESBA-IAASB Paper on PE&OEI in Accounting Firms
Agenda Item 8B	Joint IESBA-IAASB Action Plan for Phase 1
Agenda Item 8C	PE&OEI – Questionnaire for Professional Accountancy Organizations, Regulators or Oversight Bodies, and Jurisdictional Standard Setters
Agenda Item 8D	PE&OEI – Questionnaire for Accounting Firms

Appendix

List of Stakeholders Engaged

* Stakeholders engaged with in this quarter

#	Abbrev.	Respondent	Region
Regulators and Oversight Authorities			
1.	ACRA*	Accounting and Corporate Regulatory Authority	Asia
2.	IFIAR SCWG	International Forum of Independent Audit Regulators Standards Coordination Working Group	Global
3.	IOSCO C1	International Organization of Securities Commissions, Committee on Issuer Accounting, Audit and Disclosure	Global
4.	UK FRC*	United Kingdom Financial Reporting Council	Europe
Jurisdictional Standard Setters (JSS)⁴			
5.	AICPA*	American Institute of Certified Public Accountants	North America
6.	NBA*	Royal Netherlands Institute of Chartered Accountants (known in Dutch as Koninklijke Nederlandse Beroepsorganisatie van Accountants)	Europe
Professional Accounting Organizations			
7.	ICAEW*	Institute for Chartered Accountants England and Wales	Europe
Firms			
8.	FoF*	Forum of Firms	Global
Others			
9.	IFAC PETF*	International Federation for Accountants Private Equity Task Force	Global
10.	IFAC SMPAG	International Federation for Accountants Small and Medium Practices Advisory Group	Global

⁴ JSS that have a mandate to set jurisdictional ethics standards, including independence requirements, in their jurisdictions and which do not belong to PAOs are categorized as "Independent Jurisdictional Standard Setters."

The IESBA has a liaison relationship with a group of JSS (both independent JSS and organizations that hold dual JSS-PAO roles) that share the common goal of promulgating high-quality ethics standards, including independence requirements, and seeking convergence for those standards. Participating jurisdictions include Australia, Canada, China, France, Germany, Hong Kong SAR, India, Japan, the Netherlands, New Zealand, South Africa, Saudi Arabia, the United Kingdom, and the United States of America.