

Meeting: IESBA and IAASB Meetings

Meeting Location: IESBA: Madrid, Spain
IAASB: New York, United States

Meeting Date: IESBA: September 14-18, 2026
IAASB: September 14-17, 2026

Agenda Item

8C

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

Questionnaire for Professional Accountancy Organizations (PAOs), Regulators or Oversight Bodies, and Jurisdictional Standard Setters (JSS)

I. Introduction

The IESBA is gathering information through its Private Equity and Other External Investments (PE&OEI) in firms workstream in response to the rapid growth, increasing complexity, and evolving nature of external investment and ownership arrangements in accounting firms¹ globally. Building on the [IESBA's July 2025 Staff Alert on Private Equity Investment in Accounting Firms](#), and reflecting growing interest from professional accountancy organizations, regulators, oversight bodies, firms, and investors and other users in PE&OEI, the workstream is examining private equity investment, alternative practice structures, multidisciplinary firms in the context of PE&OEI, employee ownership arrangements, venture capital investment, public listings, and other strategic investment models.

In relation to PE&OEI, the workstream seeks to develop an evidence-based understanding of evolving models of accounting firm ownership and investment in accounting firms, and their implications for ethics, independence, quality management and audit and other assurance quality, and the public interest. The PE&OEI workstream's [Terms of Reference](#) contemplate close coordination between the IESBA and the International Auditing and Assurance Standards Board (IAASB) on the information gathering, given potential matters of mutual interest from the perspectives of both ethics and independence, and quality management and audit and other assurance quality, respectively. The information gathered will help determine whether the existing [International Code of Ethics for Professional Accountants \(including International Independence Standards\)](#) (the Code) and the IAASB standards remain fit for purpose or whether further standard-setting, non-authoritative material, or other actions should be considered.

PE&OEI developments create opportunities for growth, innovation, technology, and access to capital. They also raise important questions about the impact on outcomes and behaviors within firms related to, for example, ethical conduct, independence, firm culture and governance, and strategic decisions and actions,

¹ This questionnaire uses the term "accounting firm" or "firm" to refer to a firm that provides professional services performed by professional accountants, for example, accounting, auditing, other assurance, tax advisory and compliance, consulting, etc. When the questionnaire refers to a firm that provides only audit and/or other assurance engagements or a firm that provides only non-assurance services, the terms "audit firm" and "non-audit firm," respectively, are used.

including financial and operational priorities in the context of a firm's system of quality management, audit and other assurance quality, and the public interest.

This questionnaire will help the IESBA and IAASB to better understand the global evolution of accounting firm structures and ownership models, as well as regulatory and professional body responses. In particular, it will help to inform both Boards about whether any further action may be needed, by supporting their assessment of:

- For the IESBA, potential ethical, independence, and public interest implications; and
- For the IAASB, potential quality management implications and broader audit and other assurance quality considerations.

Additional information is available on the IESBA PE&OEI workstream webpage [here](#).

Respondent Details

1. Organization name:

2. Respondent name:

3. Position/title:

4. Email address:

5. Please indicate the geographical profile which best represents your organization, i.e., from which geographical perspective are you providing your response? *[Please select one]*

- ☐ Regional

[Please specify]

- ☐ Multiple jurisdictions

[Please specify]

- ☐ Single jurisdiction

[Please specify]

6. Please indicate the stakeholder group to which your organization belongs? *[Please select one]*

- ☐ Professional Accountancy Organization (PAO)

- ☐ Regulator or oversight body

- ☐ Jurisdictional Standard Setter

- ☐ Other

[Please describe]

Market Developments

7. Accounting firm size, network arrangements, and professional services provided

a) What sizes of accounting firms are external investors targeting for investment in your geographical region? *[Please select all that apply]*

- ☐ Small firms (up to 20 partners)
- ☐ Medium-sized firms (21 to 50 partners)
- ☐ Large firms (over 50 partners)
- ☐ Unsure

b) Are these accounting firms part of a network? *[Please select all that apply]*

- ☐ Yes, part of a local network
- ☐ Yes, part of an international network
- ☐ No
- ☐ Unsure

c) What types of professional services do these accounting firms provide?

- ☐ Non-assurance services only

[Please describe]

- ☐ Assurance services only

[Please describe and indicate whether this includes financial statement audits, sustainability assurance engagements, and other assurance engagements]

- ☐ Both non-assurance and assurance services

[Please describe and indicate whether assurance includes financial statement audits, sustainability assurance engagements, and other assurance engagements]

8. Accounting firms have evolved into new structures as they seek to adapt to changing client needs, technology advancements, and investor interests. These firm structures go beyond traditional partnership or corporate structures.

a) Which of the following non-traditional firm structures and ownership models are present in your geographical region? *[Please select all that apply]*

Organizational structures

- ☐ Holding company, where ownership is held through a parent company with limited operational integration among subsidiary accounting firms
- ☐ Platform company, where the parent or investment entity holds controlling interests in multiple accounting firms and provides centralized management or shared services (e.g., technology, HR, finance, marketing)

- ☐ Merger creating a multidisciplinary professional services firm with PE or OEI
- ☐ Common ownership under a private equity firm
- ☐ Other non-traditional firm structure

[Please describe]

Ownership models

- ☐ Publicly traded accounting firm on a stock exchange
- ☐ Employee-owned accounting firm
- ☐ Private equity-backed accounting firm or accounting firm within a private equity-owned group
- ☐ Venture capital-backed accounting firm
- ☐ Other non-traditional ownership models

[Please describe]

- b) Are any of these non-traditional firm structures and ownership models more prevalent than others? If so, please specify.

9. Accounting firms may obtain capital through a variety of financing arrangements

- a) Which of the following financing or capital models are currently used by accounting firms in your geographical region? *[Please select all that apply]*

- ☐ Initial public offering
- ☐ Private placement
- ☐ Employee stock ownership plan or similar employee ownership arrangement
- ☐ Private equity investment with minority ownership stake
- ☐ Private equity investment with majority ownership stake
- ☐ Venture capital investment with minority ownership stake
- ☐ Venture capital investment with majority ownership stake
- ☐ Sovereign wealth fund investment
- ☐ Pension fund investment
- ☐ Other external investment with minority ownership *[Please identify the investor type]*
- ☐ Other external investment with majority ownership *[Please identify the investor type]*
- ☐ Merger with another accounting firm
- ☐ Acquisition by another accounting firm

- ☐ Traditional financing and capital models, including borrowings and partner capital
- ☐ Other

[Please describe]

b) Why do you believe accounting firms accept external investment? *[Please select all that apply]*

- ☐ Growth through mergers or roll-up² strategies
- ☐ Growth through acquisitions or bolt-on³/add-on strategies
- ☐ Capital for technology or other infrastructure investment
- ☐ Talent attraction and/or retention
- ☐ Existing capital needs, including retirement and succession planning, debt repayment and paying down pension liabilities
- ☐ Expansion into new service lines
- ☐ Improvements in operational efficiency
- ☐ Enhanced strategy and management and operational capabilities
- ☐ Other

[Please describe]

10. In private equity, an exit strategy is a structured plan for realizing the value of an investment in a portfolio company. It enables investors to convert their equity ownership into cash or equivalent as a key part of the investment lifecycle, helping to ensure that gains are maximized at the appropriate time.

a) Have you observed any exits in your geographical region? If so, which exit strategies have you seen (e.g., an IPO or sale to another investor)?

b) Do you have any concerns about such exit strategies?

[Please describe]

² A roll-up merger is one where smaller firms are bought and merged together to form a bigger firm.

³ Firms are purchased by a platform company firm and the firms continue to operate under their own names.

Regulatory and Professional Body Responses

11. Which of the following best describes your organization's approach to PE&OEI in accounting firms?
[Please select all that apply]

- ☐ Monitoring developments
- ☐ Providing guidance or educational materials to accounting firms considering PE&OEI
- ☐ Developing standards or regulations to restrict or prohibit PE&OEI
- ☐ Engaging directly with accounting firms considering accepting, or that have accepted, PE&OEI
- ☐ Regulatory review, approval or other action

[Please describe]

- ☐ Other

[Please specify]

12. Is your organization or geographical region considering additional regulatory requirements for non-traditional firm structures or ownership models? If so, please provide details. If your organization operates across multiple jurisdictions, please feel free to respond from a multi-jurisdictional perspective, or comment on as many jurisdictions as you consider appropriate.

13. Do accounting firms consult with the local regulator, oversight body, or PAO before finalizing external investment arrangements? If so, please describe the nature of the engagement, including when it begins, what information is shared, etc.

14. If your organization undertakes inspections of firms, please describe on an anonymized basis, where possible, any PE&OEI-related inspection findings in your geographical region or jurisdiction.

Ethics and Independence

15. Ethical and independence threats

- a) What ethical or independence threats arise from PE&OEI, and why?

- b) Are you aware of any instances where PE&OEI has led to auditors resigning from engagements for independence reasons?

- c) Where investors are involved in a PE&OEI situation, how are ethical and independence requirements applied to them, including personal financial independence requirements?

- d) How is your geographical region responding to these threats? If your organization spans multiple jurisdictions, please feel free to respond from a regional or multi-jurisdictional perspective, or provide comments on as many jurisdictions as you consider appropriate.

16. Please describe whether these non-traditional firm structures and ownership models create uncertainty or questions about applying the [International Code of Ethics for Professional Accountants \(including Independence Standards\)](#) (the Code), including with respect to definitions of key terms and requirements and application material.

Where possible, please provide examples, note any perceived gaps in the Code, and identify areas where additional guidance may be helpful, including with respect to (click the relevant link to navigate to the applicable definition or section of the Code):

- a) Definition and application of [“firm”](#)

- b) Definition and application of [“network”](#)

- c) Definition and application of [“network firm”](#)

- d) Definition and application of [“audit team”](#) and/or [“review team”](#)

- e) Definition and application of “[assurance team](#)”

- f) Definition and application of “[sustainability assurance team](#)”

- g) [Financial interests](#)

- h) [Business relationships](#)

- i) Other

17. What safeguards or other actions, if any, to ensure compliance with the Code, including independence requirements, have been agreed with accounting firms accepting PE&OEI in your geographical region? If your organization operates across multiple jurisdictions, please feel free to respond from a multi-jurisdictional perspective, or comment on as many jurisdictions as you consider appropriate.

Quality Management

18. Considering your response to Questions 16 (a) - (c) above, explain whether there are any specific or additional matters that the IAASB should consider in relation to the impact on the definitions and application of “[firm](#)”, “[network](#)” and “[network firm](#)”.

19. Explain whether and, if so, the extent to which audit firms that accept PE&OEI consider these as events, conditions or circumstances that give rise to quality risks and deal with such risks within their systems of quality management through the risk assessment and monitoring and remediation processes.

20. Identify which of the following components of an audit firm's system of quality management are impacted by a firm accepting PE&OEI. Please provide examples of prominent quality risks and/or responses and whether there may be any perceived gaps in the quality management standards:⁴

- a) Governance and leadership

- b) Relevant ethical requirements

- c) Acceptance and continuance of client relationships and specific engagements

- d) Engagement performance

- e) Resources

- f) Information and communication

⁴ Refer to International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements or Other Assurance or Related Services Engagements*; ISQM 2, *Engagement Quality Reviews*; and International Standard on Auditing (ISA) 220 (Revised), *Quality Management for An Audit of Financial Statements*.

21. Identify whether and, if so, how audit firms that accept PE&OEI have incorporated the impact of these in the following specified responses under ISQM 1. Please provide examples, as appropriate, and indicate whether there may be any perceived gaps in the quality management standards.

- a) Policies or procedures that address communication about a firm's system of quality management with those charged with governance or other external parties.

- b) Policies or procedures that address engagement quality reviews.

22. Share your views on any areas related to quality management at the firm level or engagement level that may benefit from additional guidance related to applying the principles of the quality management standards to PE&OEI in audit firms.

Future Developments

23. Are there any other matters related to non-traditional firm structures and ownership models that the IESBA or IAASB should consider?

24. Are there any accounting firms in your geographical region or jurisdiction that you recommend the IESBA and IAASB engage with as part of their information-gathering activities? Where possible, please provide the name of the firm, the reason for your recommendation, and the contact details (e.g., the name, title, and email address) of an appropriate individual whom the IESBA and IAASB may contact.

25. Any additional comments?