

Alliances between Firms and AI and other Technology Providers

I. Introduction

1. During 2026, all the Big Four firms announced significant expansions of, or new developments in, strategic alliances¹ with major technology providers, particularly providers of artificial intelligence (AI) technologies. These formal arrangements include the integration of third-party AI models into firms' client-delivery platforms, the co-development of technology-enabled products and services, joint or integrated delivery models, large-scale workforce deployment and training, and the use of AI capabilities across areas such as finance, tax, deals, cybersecurity, consulting and assurance. For example, KPMG,² PwC³ and Deloitte⁴ announced expanded arrangements with Anthropic, while EY⁵ announced a further significant expansion of its longstanding alliance with Microsoft.
2. These developments illustrate how relationships between firms and technology providers are evolving beyond conventional technology procurement. In some cases, the technology provider's capabilities are embedded directly into the firm's service-delivery infrastructure or combined with the firm's professional expertise to develop and deliver services to clients. The scale, intensity, speed and strategic importance of these arrangements, together with the increasing autonomy and reach of AI-enabled technologies, may give rise to new facts and circumstances that firms need to consider when applying the Code.
3. Relevant provisions of the Code include, for example, those addressing close business relationships,⁶ the provision of non-assurance services (NAS) to audit or assurance clients,⁷ the prohibition on assuming management responsibilities,⁸ and the determination of whether an entity forms part of a network.⁹ Such arrangements might also create or increase the level of self-interest or intimidation threats where significant commercial commitments, strategic dependencies or other pressures influence professional judgment or decision-making.
4. These developments are not limited to the alliances described above. Other recent developments illustrate the broader ways in which relationships between firms, technology providers and external investors are evolving. In April 2026, the American Institute of Certified Public Accountants (AICPA) Professional Ethics Executive Committee (PEEC) issued non-authoritative staff guidance addressing business arrangements between firms performing System and Organization Controls (SOC)

¹ The term "alliance" is used in this paper as a generic descriptor for a formal tie-up, partnership, significant business relationship or other similar arrangement that a firm has entered into with a technology provider.

² [KPMG and Anthropic sign global alliance and launch Digital Gateway Powered by Claude, May 2026](#)

³ [PwC and Anthropic expand alliance, driving impact across client work and the firm, May 2026](#)

⁴ [Deloitte Launches Platform for Secure Software Powered by Anthropic's Claude Models, July 2026](#)

⁵ [EY and Microsoft announce global initiative to help clients scale AI enterprise-wide value creation and move beyond experimentation, May 2026](#)

⁶ Section 520

⁷ Sections 600 and 950

⁸ Paragraph R400.20

⁹ Paragraph R400.53

engagements and SOC technology providers.¹⁰ The guidance highlights that, as such arrangements become more formal, terms that shift control, professional judgment, financial dependency, promotional responsibilities or access to evidence from the firm toward the technology provider could create ethics and independence threats. These threats would require careful evaluation under the conceptual framework.

5. Separately, recent media reporting describes private equity investors establishing AI-services ventures with technology providers and deploying specialist AI personnel into portfolio companies, including accounting firms, to support the development and use of AI-enabled tools and workflows.¹¹ These developments illustrate that the relevant relationships may extend beyond conventional firm–technology provider alliances and increasingly involve interconnected commercial, ownership, resource-sharing and technology-delivery arrangements, reinforcing the importance of considering their substance and the cumulative effect of the resulting relationships when applying the Code.
6. This paper provides a preliminary discussion of these developments based on publicly available information. It does **not** purport to draw any conclusions as to whether a particular arrangement creates a threat to compliance with the fundamental principles or to independence, results in the assumption of a management responsibility, constitutes a prohibited relationship or service, or has implications for network-firm status. A full consideration of the specific facts and circumstances would be necessary in order to make such determinations.
7. This paper also does not aim to present a comprehensive analysis of all the ethics and independence questions or challenges that might arise as a result of these new or expanding technology alliances.

II. Cross-cutting Ethics and Independence Considerations Arising from Technology Alliances

Close Business Relationships

8. In the context of a technology alliance, where a technology provider is an audit client or otherwise falls within the scope of an audit client as that term is defined in the Code,¹² Section 520 is relevant. Depending on the facts and circumstances, an arrangement involving the joint development, combination, marketing, sale, resale, distribution or licensing of products or services might constitute a close business relationship. The Code prohibits such a relationship unless any financial interest is immaterial and the business relationship is insignificant to the relevant parties.¹³

Non-Assurance Services

9. Paragraph 600.6, introduced through the [Technology-related Revisions](#), makes it clear that the NAS provisions apply where a firm or network firm uses technology to provide a NAS to an audit client, or provides, sells, resells or licenses technology that results in the provision of a NAS to an audit client, or to an entity that provides services using such technology to audit clients of the firm or network firm.

¹⁰ [SOC engagements: Ethics risks with tool providers, April 2026](#)

¹¹ [Private Equity is deploying an army of AI wonks to embed in firm they back, The Wall Street Journal, August 2026](#)

¹² An entity in respect of which a firm conducts an audit engagement. When the client is a publicly traded entity, in accordance with paragraphs R400.22 and R400.23, audit client will always include its related entities. When the audit client is not a publicly traded entity, audit client includes those related entities over which the client has direct or indirect control. (See also paragraph R400.27)

¹³ Paragraph R520.4

Accordingly, the relevant consideration is the nature and substance of the resulting service, rather than whether the underlying technology was developed by the firm or obtained from a third party. A pure pass-through sale or resale of third-party technology, without associated or ancillary services, does not in and of itself constitute the provision of a NAS. For example, where a firm embeds a technology provider's model in a tax, finance, cybersecurity, systems implementation or other client-delivery solution, the firm will need consider the nature and substance of the resulting service provided to an audit client and apply the relevant Code provisions.

Self-interest Threats and Commercial Incentives

10. The scale and strategic importance of some technology alliances might also create or amplify a self-interest threat. Firms may have significant commercial incentives to expand the use of alliance-related technology, generate revenue from new technology-enabled offerings, or achieve productivity or growth targets. Depending on the facts and circumstances, those interests could influence judgments concerning whether a particular technology-enabled service should be provided to an audit client, how threats that might arise from providing the service are evaluated, or whether restrictions on providing the service are appropriately applied.
11. Section 600 requires the firm to apply the conceptual framework to the NAS being provided. Relevant considerations include the nature, scope, intended use and purpose of the service; the extent of the client's dependency on the service; the expertise of client management; the extent to which management determines significant matters of judgment; the effect of the service on accounting records, internal control over financial reporting or the financial statements; the degree of reliance placed on the results of the service in the audit; and the fee associated with the service. The use of AI or other technology does not alter these considerations.

Management Responsibilities

12. Particular attention is also needed where technology-enabled services become more autonomous or move from providing advice or recommendations to performing or initiating activities on behalf of the client. The Code prohibits¹⁴ a firm or network firm from assuming management responsibilities for an audit client. The Code explains that assuming a management responsibility creates self-review, self-interest and familiarity threats, and might also create an advocacy threat because the firm or network firm becomes too closely aligned with the views and interests of management.
13. The prohibition applies irrespective of the nature or extent to which technology is used.¹⁵ Client management must continue to make all judgments and decisions that are the proper responsibility of management, designate an individual with suitable skill, knowledge and experience to oversee the activities, evaluate the adequacy and results of those activities, and accept responsibility for actions arising from them.¹⁶ This consideration may become increasingly important as agentic AI capabilities are embedded in finance, tax, internal control, IT, cybersecurity and other operational processes, particularly where the technology is capable of initiating workflows, proposing or implementing actions, continuously monitoring processes or operating elements of a client's systems.

¹⁴ Paragraph R400.20

¹⁵ Paragraph 400.21 A1

¹⁶ Paragraph R400.21

14. Where the technology-enabled service concerns an IT system, Subsection 606 is also relevant. Activities such as designing, developing, implementing, operating, maintaining or monitoring systems, or storing or managing the hosting of client data, can give rise to management responsibility or self-review considerations.¹⁷ The analysis therefore needs to distinguish between technology that merely supports the delivery of a permissible service and technology-enabled activities through which the firm effectively performs a function or makes decisions that properly belong to client management.

Pressure and Intimidation Threats

15. Technology alliances might also create pressures associated with implementation timelines, utilization or productivity targets, commercial commitments or expectations regarding the adoption of a particular technology. Pressure might result in a breach of the fundamental principles.¹⁸ Depending on the facts and circumstances, pressure from firm leadership, an alliance partner, an investor or other parties might also create or increase the level of an intimidation threat if individuals are discouraged from appropriately challenging the suitability, limitations, outputs or controls associated with the technology, or from escalating concerns where its use might not be appropriate.

Potential Network Relationships

16. The increasing depth of some technology alliances also raises a separate question concerning the perimeter of the firm and its network. The Code defines a network as a larger structure that is aimed at cooperation and is clearly aimed at profit or cost sharing, or shares common ownership, control or management, common quality management policies and procedures, a common business strategy, the use of a common brand name, or a significant part of professional resources. The Code also defines a network firm as a firm or entity that belongs to such a network.
17. An alliance does not, by itself, establish that a technology provider has become a network firm. Nevertheless, as these arrangements evolve in type and complexity, firms might need to consider whether the degree of cooperation and integration has moved beyond an arm's-length supplier or commercial relationship. Depending on the facts and circumstances, relevant indicators could include joint business strategies or commercial models, shared governance arrangements, joint development and delivery of professional services, sharing of personnel or other professional resources, integrated technology infrastructure, joint centers of excellence, co-branding, and the extent to which one party has become operationally dependent on the resources of the other.
18. This consideration is important because, if an entity were determined to be a network firm, the independence requirements applicable to network firms would follow. The Code makes clear that an entity need not itself be an accounting firm in order to be a network firm; the determination depends on whether the larger structure meets the relevant criteria, taking into account all the facts and circumstances.¹⁹

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

19. Recent developments also illustrate the intersection between technology deployment and PE&OEI in accounting firms. Such arrangements do not, in themselves, establish that a threat or prohibited

¹⁷ Paragraph R606.3

¹⁸ Paragraph 270

¹⁹ Paragraph 400.50 A1

relationship exists. However, where an accounting firm is backed by a private equity investor, commercial incentives to achieve operational efficiencies, increase revenue or enhance portfolio value, together with expectations regarding the adoption of particular technologies, might create or increase self-interest or intimidation threats. Depending on the particular ownership, governance, client and resource-sharing arrangements, consideration might also need to be given to conflicts of interest, confidentiality, financial interests and business relationships, as well as whether shared technology personnel or other professional resources have implications for the determination of the boundaries of the firm's network. These matters should be assessed based on their substance and specific facts and circumstances and are also relevant to the Board's separate [PE&OEI workstream](#).

III. Way Forward

20. The publicly available information reviewed in preparing this paper, including the developments summarized in [Annexure 1](#) and [Annexure 2](#), does not provide a sufficient basis to determine the ethics and independence consequences of any particular technology alliance. Such determinations would depend on the specific facts and circumstances, including the contractual and governance arrangements between the parties, the nature of the services ultimately provided, the extent of integration or resource sharing, the relationship of the parties to audit clients, and the policies and controls established by the firms.
21. Nevertheless, the developments discussed in this paper illustrate how technology is increasingly becoming embedded not only in the tools used by firms, but also in their service-delivery arrangements and strategic relationships with third parties. As these relationships become more integrated, and as AI-enabled technologies become more autonomous and capable of performing activities previously undertaken by individuals, the interactions between technology and existing provisions of the Code may increasingly need careful thought and attention to avoid inadvertent breaches of the Code.

Matters for Consideration

IESBA members are asked to share views on:

- (a) The developments and preliminary observations set out in this paper; and
- (b) Whether and, if so, how the IESBA should respond to these developments, and the priority of any such response relative to the Technology Working Group's other planned activities and deliverables.

ANNEXURE 1

Alliances Between Big-4 Firms and Frontier AI Labs (2022 – 2026)

The information below has been compiled from Staff notes based on publicly available information. Financial terms are noted as disclosed or undisclosed, where relevant. This document reflects research conducted through early August 2026.

KPMG – Anthropic

Noteworthy Commitments

- Claude Cowork and Managed Agents embedded directly into Digital Gateway, KPMG's global Azure-hosted client-delivery platform, starting with tax and legal clients
- All 276,000+ KPMG employees globally (138 countries) given Claude access²⁰
- KPMG named Anthropic's preferred consultant for private equity, with a new joint offering, KPMG Blaze, embedding Claude Code into legacy-IT modernization for PE portfolio companies
- KPMG given exclusive rights specifically to the Claude-powered tax offering – this is narrower than the "exclusive alliance" that appeared in headlines; KPMG confirmed to Fortune the relationship is not exclusive overall (Microsoft Copilot and Google Gemini remain in active use)
- Client data confirmed not used to train Claude; stays within KPMG's own environment
- Extension into cybersecurity (vulnerability detection/remediation under KPMG's Trusted AI framework)

Prior Tech Alliances

- Google Cloud (expanded April 2025) – Agentspace, Vertex AI Agent Builder, NotebookLM Enterprise; framed as "a key deployment partner" (implying non-exclusivity); focused on KPMG Law and finance/procurement agents
- Microsoft – Microsoft 365 Copilot rolled out to the same 276,000+ workforce; Microsoft Agent 365 positioned as a cross-vendor governance/orchestration layer sitting above whichever models, including Claude, KPMG deploys²¹

PwC – Anthropic

Noteworthy Core Commitments

- Rollout of Claude Code and Cowork across engineering and enterprise workflows
- Joint Center of Excellence to standardize methods and governance
- 30,000 US professionals trained and certified on Claude, extending toward PwC's 364,000-person global workforce (136 countries)
- Office of the CFO – a new, standalone, Claude-anchored finance business unit, PwC's first business unit built around a single AI provider. PwC used itself as "Customer Zero," for Anthropic testing

²⁰ [Anthropic and KPMG sign Big Four Alliance to deploy Claude to 276,000 staff, May 2026](#)

²¹ [KPMG and Microsoft scale trusted, enterprise AI agents globally through deployment of Agent 365 and Copilot, June 2026](#)

Claude in its own journal entries, variance analysis, and annual planning, while also helping Anthropic's own CFO office scale its controls and international payroll

- Anthropic cited concrete efficiency claims: insurance underwriting cut from 10 weeks to 10 days; security review work cut from hours to minutes
- No exclusivity clause disclosed; no financial figure disclosed for this specific deal

Prior Tech Alliances

- Microsoft/OpenAI – \$1 billion capital commitment over three years, built around Azure OpenAI Service (GPT-4/ChatGPT); funded internal platform modernization and workforce upskilling (approximately 65,000 staff at the time), not a certification program²²
- AWS²³ – Industry-specific GenAI applications (Amazon Bedrock, Nova models) for regulated sectors (pharma, financial services); PwC's own orchestration layer, "agent OS," was explicitly built for cross-model portability (runs on AWS, Azure, and other stacks by design) – the opposite design philosophy from the Anthropic-anchored Office of the CFO

EY – Microsoft

Noteworthy Core Commitments

- \$1 billion+ investment over five years, the only disclosed dollar figure among the four 2026 deals
- Pairs Microsoft's Forward Deployed Engineers with EY industry professionals across Tax, Assurance, Consulting, and EY-Parthenon
- "Client Zero" evidence: EY reports having already rolled out Copilot to 150,000 users with a claimed 15% productivity gain, now expanding via Microsoft 365 E7 ("The Frontier Suite") to 400,000+ people
- Initial focus: finance, tax, risk, HR, supply chain, across financial services, industrials, energy, consumer/retail, healthcare, and government
- EY explicitly described shared governance and aligned commercial models with Microsoft – a level of structural/contractual detail not disclosed in any of the Anthropic deals

Audit-embedded Agentic AI²⁴

- EY became the only Big Four firm to embed agentic AI directly inside live audit engagements – a multi-agent framework built into EY Canvas, its global assurance platform (processes 1.4 trillion journal-entry lines per year), covering 130,000 assurance professionals across 160,000 audit engagements in 150+ countries
- Built on Microsoft Azure, Foundry, and Fabric; expected to support all end-to-end audit activity by 2028

²² [PwC US makes \\$1 billion investment to expand and scale AI capabilities, April 2023](#)

²³ [PwC, AWS Expand Strategic Alliance to Catalyze Generative-AI powered Transformation for Industry Customers, December 2024](#)

²⁴ [EY launches enterprise-scale agentic AI to redefine the audit experience for the AI era, April 2026](#)

- The UK Financial Reporting Council (FRC) has signaled closer scrutiny of AI use in audit methodology;²⁵ the U.S. Public Company Accounting Oversight Board (PCAOB) and International Auditing and Assurance Standards Board (IAASB) have emphasized that AI-driven audit decisions must be explainable and reproducible – EY's system logs each agent's output as attributable to source data and reasoning for this reason
- EY's own transformation leader acknowledged this raises the experience bar for junior audit staff reviewing agent output

Prior Tech Alliances

- EY.ai (September 2023)²⁶ – a self-funded \$1.4 billion platform (larger than PwC's original Microsoft commitment), explicitly multi-vendor: named alliance partners included Dell, IBM, Microsoft, SAP, ServiceNow, Thomson Reuters, and UiPath. Included EY's own in-house LLM, EYQ, piloted with 4,200 technologists.

Deloitte – Anthropic

Timeline

- July 31, 2024 – Initial alliance announced: Claude model family, Deloitte's Trustworthy AI framework aligned with Anthropic's Constitutional AI approach, target of 15,000 professionals trained, aimed at both commercial and government clients²⁷
- October 6, 2025 – Major expansion: Claude made available to 470,000+ Deloitte people across 150 countries²⁸ – at the time, Anthropic's largest enterprise deployment globally. A Claude Center of Excellence established; 15,000-person formal certification program confirmed; custom Claude "personas" planned for different employee types (accountants, developers, etc.). Neither company disclosed financial figures, though Anthropic's CCO confirmed "significant" investment from both sides.
- July 16, 2026 – Product launch: a secure software / cybersecurity remediation platform built on Claude models – Deloitte's remediation harness, engineering capabilities, and managed services combined with Claude for vulnerability detection and patch development. This is a genuine commercial product, not just internal workforce enablement.²⁹

Prior Tech Investment History

- \$1.4 billion workforce upskilling program (December 2022) – general AI upskilling, not vendor-specific
- \$2 billion fund for industry-specific applications (April 2024) – also not vendor-exclusive

²⁵ [Innovative new guidance supports audit firm adoption of emerging AI technologies, March 2026](#)

²⁶ [EY announces launch of artificial intelligence platform EY.ai following US\\$1.4b investment, September 2023](#)

²⁷ [Deloitte and Anthropic Collaborate to Bring Safe, Reliable and Trusted AI to Commercial and Government Organizations, July 2024](#)

²⁸ [Anthropic lands its biggest enterprise deployment ever with Deloitte, October 2025](#)

²⁹ [Deloitte Launches Platform for Secure Software Powered by Anthropic's Claude Models, July 2026](#)

- Deloitte is also a named beneficiary of Google Cloud's \$750 million partner fund (announced 2026) for agentic AI deployment – confirming Deloitte runs an explicitly multi-cloud, multi-model practice alongside its Anthropic relationship

ANNEXURE 2

Publicly Available Information

1. [KPMG and Microsoft enter landmark agreement to put AI at the forefront of professional services, July 2023](#)
2. [KPMG to spend \\$2B in expanded AI alliance with Microsoft, July 2023](#)
3. [IBM and Deloitte announce plans at GITEX 2025 to enable GCC organizations to deploy responsible AI at scale, October 2025](#)
4. [EY launches enterprise-scale agentic AI to redefine the audit experience for the AI era, April 2026](#)
5. [Anthropic, PwC expand alliance as battle for corporate America intensifies, May 2026](#)
6. [Big Four Meets Frontier AI: Inside the KPMG Anthropic Alliance, May 2026](#)
7. [PwC Anthropic Alliance and Big Four AI signals, June 2026](#)
8. [Accenture and Deloitte are selling the same brain to every company in your category, August 2026](#)
9. [AI Agents are Only the Beginning: Deloitte Survey Examines the AI Readiness Gap and Reveals How Enterprises Can Prepare for Agentic Success, August 2026](#)
10. [Deloitte Becomes First Global System Integrator to Deliver a Salesforce Forward Deployed Engineering Engagement, August 2026](#)
11. [PwC UK to acquire Datasparq to strengthen AI and data-led value creation capabilities, August 2026](#)