

IESBA Restructured Code Post Implementation Review Survey Responses to Part C (Q.19–26)

Part C – Usability and Clarity of Language and Responsibility (All Respondents)

Building Blocks Approach

Q19. Is the building-blocks approach of the IESBA Code simple and clear, and does it help in navigating the Code? \Yes (31 respondents)

Regulators or Oversight Bodies

028. Nairobi Securities Exchange (NSE)

Yes

014. Independent Regulatory Board for Auditors (IRBA)

Yes

The building-blocks approach is highly effective. Part 1 establishes a clear, foundational baseline by setting out the fundamental ethical principles and the conceptual framework applicable to all professional accountants. Parts 2, 3, and 4 then successfully translate these overarching theories into concrete, actionable requirements tailored to specific professional roles and engagement scenarios without unnecessary repetition.

JSS (Jurisdictional Standard Setters)

001. Accounting Professional and Ethical Standards Board (APESB)

Yes

APESB considers that the building-blocks approach has improved the structure and usability of the Code, particularly through clearer organisation and a clearer distinction between requirements and application material. This supports the general understanding of the Code. APESB considers that while the building-blocks approach provides a clear structural foundation, its effectiveness could be improved by adding additional digital navigation tools to the digital versions of the IESBA Code. Australian stakeholders have provided feedback to the APESB that in practice, professional accountants tend to rely more on search functions, contents pages and digital tools to locate relevant guidance, rather than navigating through the Code's structural framework. Some stakeholders also raised concerns about the length and repetition within the Code, which can also create complexity, particularly for smaller firms and practices.

PAO

021. Japanese Institute of Certified Public Accountants (JICPA)

Yes

022. Korean Institute of Certified Public Accountants (KICPA)

Yes

006. CPA Australia

Yes

039. Institut Des Diplomes D'Expertise Comptable En Entreprise (ECE)

Yes

The building-blocks approach is logically sound and avoids unnecessary repetition. However, it is not always intuitive for occasional users. A Professional accountant in business consulting Part 2 in relation to a practical issue may not immediately identify all relevant provisions contained in Part 1.

019. Institute of Singapore Chartered Accountants (ISCA)

Yes

033. Royal Netherlands Institute of Chartered Accountants (NBA)

Yes

032. AICPA – Professional Ethics Executive Committee (PEEC)

Yes

Yes. However, the eCode — which is the more user-friendly version of the code — is not current as of today and is therefore not very helpful in navigating the code. Even if the eCode is timely updated to the current version, it would be useful to add clickable cross-references and strong digital search or linking — especially for defined terms and related nonauthoritative material — to the PDF version. In addition, it should be easier to identify where there is other relevant nonauthoritative guidance such as Q&As. In the AICPA Online Ethics Library, we include a gray box with links to applicable nonauthoritative guidance following the relevant code section.

004. Chartered Accountants Australia and New Zealand (CA ANZ)

Yes

Yes, the building blocks approach assists members to locate the sections of the Code applicable to them and helps PAOs to target training to specific cohorts of the membership such as members in business, members in practice and those offering audit and assurance services. The Code can be an overwhelming document. The ability to advise members to apply certain sections of the Code based on the services they provide, or their employment situation allows the Code to be digested and implemented more efficiently and effectively.

016. Institute of Certified Public Accountants of Uganda (ICPAU)

Yes

013. Hong Kong Institute of Certified Public Accountants (HKICPA)

Yes

Our stakeholders expressed that the Code is well structured. It flows logically from the requirements to the application material, which first makes clear what the obligations are, and then, by going through the application material, explains how to understand and apply them in daily work. Additionally, it is also clear that Part 3 and Part 4 of the Code are for PAPPs, which are irrelevant to PAIBs and eliminating the need to review those sections.

026. Malaysian Institute of Certified Public Accountants (MICPA)

Yes

030. Pan African Federation of Accountants (PAFA)

Yes

Yes – The building-blocks approach has significantly improved navigation and reduced unnecessary duplication throughout the Code. It provides a logical progression from the fundamental principles to more specific requirements applicable to different categories of professional accountants. However, users who are less familiar with the Code may initially find the multiple cross-references challenging. Additional navigation aids, flowcharts and practical implementation examples would further improve usability, particularly for SMPs and first-time users.

027. Malta Institute of Accountants (MIA)

Yes

020. International Federation of Accountants (IFAC)

Yes

IFAC agrees that the building-blocks approach of the IESBA Code is simple and clear. However, outreach indicated that many practitioners do not navigate the Code sequentially. Instead, users commonly search electronically for a particular topic or provision and go directly to the relevant section. As a result, the conceptual logic of the building-blocks approach is not always apparent in practice, particularly for occasional users or practitioners seeking guidance on a specific issue. Measures such as visual navigation aids may help to make the structure more intuitive.

037. South African Institute of Chartered Accountants (SAICA)

Yes

024. Lesotho Institute of Accountants (LIA)

Yes

002. Association of Chartered Certified Accountants (ACCA)

Yes

Accounting Firms

003. BDO International Limited (BDO)

Yes

009. Deloitte Touche Tohmatsu Limited (DTTL)

Yes

023. KPMG International Limited (KPMG)

Yes

The building blocks approach is generally clear and works well particularly once users are familiar with the Code. However, usability could be improved through better digital functionality. The e-Code should be re-established and enhanced to include features such as links to defined terms, cross-references between related sections and amended sections (e.g., for standards that are not yet effective), and direct access to relevant guidance, FAQs or examples. Because the Code is organized by topic, users do sometimes need to navigate across sections to identify how requirements vary under different circumstances. See response under question 30 for the example of network firms. An enhanced electronic version of the Code could incorporate functionality to enable users to identify, in a single location, all requirements relevant to a particular fact pattern. Bringing more of this support directly into an electronic version of the Code would significantly enhance user experience.

[Referenced comment under Q30 – Network firm independence responsibility clear (Part D of this document): The general responsibilities of network firms are understandable, and the Code does clearly distinguish between firm and network firm responsibilities. However, as noted under question 19, it can be difficult to identify and pull together all relevant requirements for network firms. For example, not all network firms need to be independent of the client in every instance, such as when a firm is reporting to a non-network firm in a group audit or when a firm is providing sustainability assurance for a value chain component. The provisions are spread across different sections of the Code, and users need to go to multiple locations and understand where to look to fully understand the obligations. The ability to bring this information together more clearly, for example through use of technology, additional guidance, or improved navigation, would make it easier for users to understand and apply network firm responsibilities in practice.]

010. Ernst & Young Global Limited (EY)

Yes

011. Forvis Mazars Global Limited (MAZARS)

Yes

007. Crowe Solutions for Professional Consulting (Crowe KSA)

Yes

031. PricewaterhouseCoopers International Limited (PwC)

Yes

We understand that Parts 2, 3 and 4 of the Code build on Part 1 and that each of the other Parts address specific subject matters that are relevant to the intended audience. Overall, such an approach is clear and works well. However, there can occasionally be some confusion in terms of application in those circumstances where Part 4 refers back to Part 3 (e.g. in the case of gifts and hospitality and inducements) or when a topic is covered in Part 3 (notably Custody of Client assets) but not in Part 4.

Individual PAPPs

035. SARE Consulting (Assurance Specialist)

Yes

036. Shrekant Prasad (Govindham Consultancy Services LLP)

Yes

Individual (PAIBs)

005. Control Solutions K.K.

Yes

Other Users / Beneficiaries

025. Luisa Anacoreta (UCP, APFIPP, Sierra IG)

Yes

Q19. Is the building-blocks approach of the IESBA Code simple and clear, and does it help in navigating the Code? Somewhat (7 respondents)

Regulators or Oversight Bodies

040. Financial Reporting Council (FRC)

The FRC does not adopt the IESBA Code and uses it mainly to benchmark its own Ethical Standard against the International Independence Standards. In so doing, we have found the Code to be straightforward to understand and navigate.

JSS (Jurisdictional Standard Setters)

029. New Zealand Auditing and Assurance Standards Board (NZAuASB)

Somewhat

The building-blocks helps navigation. The building blocks approach is simple and clear. We heard that the building-block approach is especially helpful in educating and training on the Code. As the IESBA Code cannot cover all circumstances it is good to have the fundamental principles and conceptual framework at the front of the Code and specific circumstances in the following blocks.

Navigation can still be difficult. We continue to hear that the IESBA Code is difficult to understand and navigate. Assurance practitioners consult the Code when an ethical issue arises. At such times, they need to find the relevant requirements quickly and confidently. IESBA should use technology to improve usability. A digital Code should help users search, filter and navigate according to their circumstances, while still keeping the fundamental principles and conceptual framework visible.

Parts 4A and 4B are seen as repetitive. Parts 4A and 4B distort the building blocks approach because they are repetitive. This adds length to the IESBA Code. Users applying both Parts 4A and 4B want to understand the differences between “audit and review”, and “other assurance engagements” requirements. IESBA should combine Parts 4A and 4B, then use clear headings to identify where requirements differ, similar to the distinction between PIE and non-PIE requirements. A digital tool would be especially useful to filter based on circumstances.

Although Part 5 is not subject to this survey, we note that its addition exacerbates concerns about the Code's length, repetition, and the difficulty in navigating between audit and review, other assurance, and sustainability provisions.

PAO

038. Wirtschaftsprüferkammer (WPK)

Somewhat

While we generally support the concept of having different Parts for different purposes (especially Part 4A and 4B), we have certain concerns, because the use of different Parts has resulted in a degree of

duplication and has made the Code increasingly bloated over time. As a result, the Code has become quite user-unfriendly. We recommend returning to a principles-based approach and radically streamlining the Code.

018. Institute of Chartered Accountants of Scotland (ICAS)

Somewhat

Yes, in general we believe that the messaging is simple and clear. We were supportive of moving the professional accountants in business section forward as part of the restructured Code project to better highlight that the Code applies to PAIBs. However, worryingly, we do continue to receive feedback from both PAPPs and PAIBs that the Code continues to increase in length and in so doing is inadvertently sending the message that it is now becoming more rules-based, rather than principles-based. The fundamental ethics principles send out a strong message; but the more content that is added to the Code runs the risk of diluting that message. “Less can be more”, is something which IESBA needs to consider.

015. Institut der Wirtschaftsprüfer (IDW)

Somewhat

The building-blocks approach to the parts of the Code provides an easily understood overall structure, and we strongly support retaining the four-part structure, including the distinction between Parts 4A and 4B. However, we see issues within each part, in comparison with Part 5 of the Code, and with the IAASB approach.

Although Part 5 is not included in the scope of this PIR, it is important to note that the building-blocks approach has not been followed for that Part, which causes unnecessary complications for practitioners implementing Part 5 and other parts of the Code. Even though Part 5 was designed to be used on a stand-alone basis, a large portion of the new sections are conceptionally identical to corresponding provisions in the rest of the Code, but often use different wording (we can provide examples upon request), leaving practitioners unclear as to whether requirements and application material are intended to be different or not. Furthermore, the differentiation in applicability between Part 4A and 4B is different to the applicability of independence provisions in Part 5 compared to 4B for professional accountants and other sustainability assurance practitioners. This has been recognized by IESBA in its project “Independence Standards for Sustainability Assurance Engagements Outside the Scope of IESSA” and is a consequence of the inconsistent structure. As noted in previous IDW comments on the subject, however, we believe reopening the Code because of this is not a public interest priority.

The structure of the individual sections of the Code differs significantly from that of the IAASB standards, which follow a more linear approach (introduction–objective–definitions–requirements–application material). This contrasts with multiple subsections, each with requirements and application material as well as definitions separated into a glossary in the Code. The lack of a clear structural alignment makes it more difficult for practitioners to understand how ethical requirements interoperate with IAASB standards. Greater alignment with the conventions used by the IAASB, whilst retaining the four-part structure, including the distinction between parts 4A and 4B, would be very beneficial. An overall guidance document with a comparable structure and scope to that of the IAASB Complexity, Understandability, Scalability and Proportionality (CUSP) Drafting Principles and Guidelines document, with explanations of any differences

in terms or approach to IAASB practice that cannot be eliminated, would serve as a guide for the IESBA to enable greater consistency when drafting an overhauled Code.

Beyond alignment with part 5 and the IAASB approach, additional issues remain within the Code on repetition of overarching requirements and heavy reliance on cross-referencing.

The same core obligation to comply with the fundamental principles and apply the conceptual framework is repeated across multiple Parts (e.g., R120.3, R200.5, R300.4, R400.19, R900.12). This results in repetition that adds to the length of the Code without significantly improving usability. Definitions from the glossary are also often repeated (and may not even be consistent). For example, the definition of “public interest entity” compared to R400.22, “engagement team” compared to 400.9, “Fundamental Principles” which just references section 110, and “inducement” compared to 250.4 A1 and 340.4 A1.

The building-blocks approach requires frequent navigation between Sections and Parts (e.g., Section 120 referring to Parts 2, 3 and the Independence Standards) and the glossary. Although conceptually coherent, this makes the Code less intuitive to follow in practice and can hinder efficient navigation, particularly for less experienced users. It is also unclear what authoritative status definitions in the glossary have in comparison to requirements or application material.

The concerns we have expressed should not be interpreted as implying that we would support a discrete project to seek to ameliorate the shortcomings, in the application of the building blocks approach, that we have addressed above. Rather, as noted in our responses to questions 20, 22, 23, 25 and 27, we believe that these issues ought to be addressed as part of a major overhaul of the Code to reduce its granularity and make the Code more principles based.

017. Institute of Chartered Accountants in England and Wales (ICAEW)

Somewhat

Feedback from some of our members is that whilst the structure is helpful for study and familiarization, the volume of material is less helpful for time constrained audit engagements and the need to cross-refer to other parts of the Code can occasionally be frustrating when under time pressure.

Other Users / Beneficiaries

008. David Mensah (National Applied Research Institute)

Somewhat

The building-blocks approach provides a logical framework that makes the Code easier to navigate by breaking complex ethical requirements into structured components. However, for aspiring accountants and academics, some sections can still feel dense and technical. While the layering of principles, requirements, and application material is conceptually clear, the language could be simplified further to ensure accessibility for students, early-career professionals, and global volunteers who are engaging with the Code for the first time.

Q19. Is the building-blocks approach of the IESBA Code simple and clear, and does it help in navigating the Code?\No (1 respondents)

Individual PAPPs

012. Hiroshi Shirai (Shirai CPA Office)

No

I don't engage in any audit and consulting work

Q19. Is the building-blocks approach of the IESBA Code simple and clear, and does it help in navigating the Code?\Not answered (1 respondents)

Accounting Firms

034. RSM International Limited (RSM)

Not answered

Q20. Is the "Guide to the IESBA Code" helpful in explaining how the Code is structured and should be applied? Yes (32 respondents)

Regulators or Oversight Bodies

028. Nairobi Securities Exchange (NSE)

Yes

014. Independent Regulatory Board for Auditors (IRBA)

Yes

It provides an excellent structural orientation, which is especially beneficial for first-time readers or practitioners navigating the Code's layout.

JSS (Jurisdictional Standard Setters)

001. Accounting Professional and Ethical Standards Board (APESB)

Yes

APESB considers that the "Guide to the IESBA Code" is useful in explaining the structure of the Code and supporting foundational understanding of how it is intended to be applied. It assists users in understanding the overall organisation of the Code and how different Parts and Sections relate to one another. APESB also notes that enabling technologies in the e-Code environment, such as enhanced search functionality, hover-over definitions, and section-sharing features, further support users in efficiently navigating and locating relevant guidance.

PAO

021. Japanese Institute of Certified Public Accountants (JICPA)

Yes

022. Korean Institute of Certified Public Accountants (KICPA)

Yes

019. Institute of Singapore Chartered Accountants (ISCA)

Yes

033. Royal Netherlands Institute of Chartered Accountants (NBA)

Yes

018. Institute of Chartered Accountants of Scotland (ICAS)

Yes

We believe this to be one of the main benefits of the 'Restructuring the Code' project. This explains how the Code is to be used in a clear and succinct manner.

032. AICPA – Professional Ethics Executive Committee (PEEC)

Yes

039. Institut Des Diplomes D'Expertise Comptable En Entreprise (ECE)

Yes. The Guide to the Code is useful, but its practical value could be improved through: clearer digital signposting; role-based pathways; visual maps; consolidated links between Parts 1 and 2; examples showing how a PAIB should move from a practical issue to the relevant provisions.

004. Chartered Accountants Australia and New Zealand (CA ANZ)

Yes

Yes. The Guide to the IESBA Code is essential reading when members are familiarising themselves with the Code. The Guide is short, clear, easy to read, and understand. The objectives of the Code are clear in Part 1 via the fundamental principles, threats to the principles, and the conceptual framework.

016. Institute of Certified Public Accountants of Uganda (ICPAU)

Yes

015. Institut der Wirtschaftsprüfer (IDW)

Yes

After some reflection, we have concluded that the need for Guide within the Code to explain the Code is indicative that the Code has become too lengthy and too complex. The Guide adds even more reading material for practitioners and thus adds to the problem of information overload for practitioners using the Code. We have therefore become convinced that the Code needs a complete overhaul so that the Code is shortened and more principles based.

Furthermore, as noted in our answer to question 19, greater alignment with the conventions used by the IAASB, whilst retaining the four-part structure in the code, including the distinction between parts 4A and 4B, would be very beneficial. An overall guidance document with a comparable structure and scope to that of the IAASB Complexity, Understandability, Scalability and Proportionality (CUSP) Drafting Principles and Guidelines document, with explanations of any differences in terms or approach to IAASB practice that cannot be eliminated, would serve as a guide for the IESBA to enable greater consistency when drafting an overhauled Code and could replace part or all of the Guide to the IESBA code, which may also be helpful for users of the Code.

We also note that the Code does not take advantage of new AI-enabled technological possibilities to index and search information more effectively. This is something that should be explored, but should not be

considered as a solution to the need for a better CUSP-style document and for a radical overhaul of the Code as we suggest in this response.

013. Hong Kong Institute of Certified Public Accountants (HKICPA)

Yes

026. Malaysian Institute of Certified Public Accountants (MICPA)

Yes

030. Pan African Federation of Accountants (PAFA)

Yes

027. Malta Institute of Accountants (MIA)

Yes

020. International Federation of Accountants (IFAC)

Yes

IFAC considers the “Guide to the IESBA Code” to be helpful. Rather than any future expansion of the Guide, IFAC encourages the IESBA to continue improving the usability of the Code itself so that users can readily understand how provisions interrelate without needing to consult separate explanatory material. Further consideration to how the Guide and Code structure support digital navigation, indexing and AI-assisted search tools is becoming increasingly necessary as the means by which practitioners access standards evolves.

037. South African Institute of Chartered Accountants (SAICA)

Yes

002. Association of Chartered Certified Accountants (ACCA)

Yes

Accounting Firms

003. BDO International Limited (BDO)

Yes

009. Deloitte Touche Tohmatsu Limited (DTTL)

Yes

023. KPMG International Limited (KPMG)

Yes

010. Ernst & Young Global Limited (EY)

Yes

011. Forvis Mazars Global Limited (MAZARS)

Yes

007. Crowe Solutions for Professional Consulting (Crowe KSA)

Yes

031. PricewaterhouseCoopers International Limited (PwC)

Yes

Individual PAPPs

035. SARE Consulting (Assurance Specialist)

Yes

036. Shrekant Prasad (Govindham Consultancy Services LLP)

Yes

Individual (PAIBs)

005. Control Solutions K.K.

Yes

Other Users / Beneficiaries

008. David Mensah (National Applied Research Institute)

Yes

The Guide is helpful in outlining the structure of the Code and provides a roadmap for understanding how principles, requirements, and application material fit together. However, for aspiring accountants and academics, some explanations remain technical and could benefit from more practical examples or simplified language. This would make the Guide more accessible to students, early-career professionals, and global volunteers who are engaging with the Code for the first time.

025. Luisa Anacoreta (UCP, APFIPP, Sierra IG)

Yes

Q20. Is the "Guide to the IESBA Code" helpful in explaining how the Code is structured and should be applied? Somewhat (4 respondents)

JSS (Jurisdictional Standard Setters)

029. New Zealand Auditing and Assurance Standards Board (NZAuASB)

Somewhat

Helpful information included in the guide could be overlooked. The guide is helpful in explaining how to read and navigate the IESBA Code and we consider that it is essential reading for first time users of the Code. However, we have heard that this guide is often overlooked. We recommend that the IESBA continue to highlight and raise awareness about the guide, particularly given the broader range of first-time users engaging with the IESBA Code for sustainability related engagements.

The nature of the guide might not be suitable for legislation drafting. In New Zealand, the PES 1 is issued as secondary legislation. Because the guide is explanatory in nature, it has been removed from the most recent version of PES 1. We are considering whether and how to issue the guide separately and to further raise awareness.

PAO

006. CPA Australia

Somewhat

Anecdotally, our members do not tend to use the Guide to the Code much. Rather users go straight to the relevant section/s using a 'find' function. Notwithstanding this, when used, it is certainly useful. We recommend that its present length is not expanded upon.

017. Institute of Chartered Accountants in England and Wales (ICAEW)

Somewhat

Feedback from some of our members is that busy practitioners tend to go directly to the relevant provisions of the Code without reviewing the guide first.

024. Lesotho Institute of Accountants (LIA)

Somewhat

Members believe that Code should simple and straight forward, once it requires guidance then it is complicated

Q20. Is the "Guide to the IESBA Code" helpful in explaining how the Code is structured and should be applied? No (2 respondents)

PAO

038. Wirtschaftsprüferkammer (WPK)

No

Please refer to our comments in paragraph 19. Above all, we believe the Code has become too long and too complex over time. The need for a separate Guide within the Code shows that the Code itself is difficult to use.

[Referenced comment under Q19 – Building-blocks approach: While we generally support the concept of having different Parts for different purposes (especially Part 4A and 4B), we have certain concerns, because the use of different Parts has resulted in a degree of duplication and has made the Code increasingly bloated over time. As a result, the Code has become quite user-unfriendly. We recommend returning to a principles-based approach and radically streamlining the Code.]

Individual PAPPs

012. Hiroshi Shirai (Shirai CPA Office)

No

As as above reason

Q20. Is the "Guide to the IESBA Code" helpful in explaining how the Code is structured and should be applied? \Not answered (3 respondents)

Regulators or Oversight Bodies

040. Financial Reporting Council (FRC)

As the FRC does not adopt the IESBA Code, we are not able to comment on this question.

Accounting Firms

034. RSM International Limited (RSM)

Not answered

PAO

039. Institute des Diplomes d'expertise Comptable en Entreprise (ECE)

Not answered

Emphasizing Compliance with the Fundamental Principles and Applying the Conceptual Framework

Q21. Is it clear within each Section that a professional accountant (or firm as appropriate) has the responsibility to comply with the fundamental principles and apply the conceptual framework? \Yes (35 respondents)

Regulators or Oversight Bodies

028. Nairobi Securities Exchange (NSE)

Yes

014. Independent Regulatory Board for Auditors (IRBA)

Yes

JSS (Jurisdictional Standard Setters)

001. Accounting Professional and Ethical Standards Board (APESB)

Yes

APESB considers that it is generally clear in each Section that professional accountants are required to comply with the fundamental principles and apply the conceptual framework, as supported by explicit references in the Code. It is also noted that consistent application depends on users maintaining a holistic and principles-based approach.

029. New Zealand Auditing and Assurance Standards Board (NZAuASB)

Yes

Overarching requirements in sections 200, 300, 400 and 900 and references to the conceptual framework in the introductory sections make it clear that a professional accountant (or a firm) has the responsibility to comply with the fundamental principles and apply the conceptual framework.

PAO

021. Japanese Institute of Certified Public Accountants (JICPA)

Yes

022. Korean Institute of Certified Public Accountants (KICPA)

Yes

006. CPA Australia

Yes

This is very clear and very sensible to reinforce at the beginning of each section.

019. Institute of Singapore Chartered Accountants (ISCA)

Yes

033. Royal Netherlands Institute of Chartered Accountants (NBA)

Yes

039. Institut Des Diplomes D'Expertise Comptable En Entreprise (ECE)

Yes. ECE encourages the IESBA to continue emphasizing that applying the conceptual framework is an ongoing exercise requiring professional judgment as facts, circumstances, pressures and threats evolve.

038. Wirtschaftsprüferkammer (WPK)

Yes

Yes, it is clear that each Section requires the professional accountant (or firm, as appropriate) to comply with the fundamental principles and apply the conceptual framework. However, this message is repeated throughout the Code to such an extent that it becomes unnecessarily lengthy and could be streamlined without reducing clarity.

018. Institute of Chartered Accountants of Scotland (ICAS)

Yes

032. AICPA – Professional Ethics Executive Committee (PEEC)

Yes

Yes. Please note that the AICPA code is only applicable to individuals not firms.

004. Chartered Accountants Australia and New Zealand (CA ANZ)

Yes

Yes, most members are aware that Part 1 of the Code applies to all members and that it must be complied with in addition to any other section of the Code specific to the members' role or engagement type. For clarity, further instructions are provided via paragraphs such as 200.1, R200.5, 200.6A1, 300.1, R300.4, 300.6 A1, 400.6, 400.7, R400.19, AUST R400.19.1, 900.5, 900.6, R900.13 and AUST R900.13.1. See the response to Question 19.

[Referenced comment under Q19 – Building-blocks approach: Yes, the building blocks approach assists members to locate the sections of the Code applicable to them and helps PAOs to target training to specific cohorts of the membership such as members in business, members in practice and those offering audit and assurance services. The Code can be an overwhelming document. The ability to advise members to

apply certain sections of the Code based on the services they provide, or their employment situation allows the Code to be digested and implemented more efficiently and effectively.]

016. Institute of Certified Public Accountants of Uganda (ICPAU)

Yes

015. Institut der Wirtschaftsprüfer (IDW)

Yes

We consider this responsibility to be sufficiently clear in sections 100 to 120. Repeating the same sentence in the first paragraph of the introduction in subsequent Sections lengthens the Code. The added value of acting as a reminder of the overall purpose of the Code and the overarching requirement does not justify the redundancy in our view.

013. Hong Kong Institute of Certified Public Accountants (HKICPA)

Yes

026. Malaysian Institute of Certified Public Accountants (MICPA)

Yes

030. Pan African Federation of Accountants (PAFA)

Yes

The Guide to the Code is helpful, and the distinction between “R” (requirements) and “A” (application material) clarifies obligations.

027. Malta Institute of Accountants (MIA)

Yes

020. International Federation of Accountants (IFAC)

Yes

Overall, IFAC considers that the restructuring has made it sufficiently clear that compliance with the fundamental principles and application of the conceptual framework underpin all relevant sections of the Code.

037. South African Institute of Chartered Accountants (SAICA)

Yes

024. Lesotho Institute of Accountants (LIA)

Yes

002. Association of Chartered Certified Accountants (ACCA)

Yes

Accounting Firms

009. Deloitte Touche Tohmatsu Limited (DTTL)

Yes

023. KPMG International Limited (KPMG)

Yes

010. Ernst & Young Global Limited (EY)

Yes

011. Forvis Mazars Global Limited (MAZARS)

Yes

007. Crowe Solutions for Professional Consulting (Crowe KSA)

Yes

031. PricewaterhouseCoopers International Limited (PwC)

Yes

Individual PAPPs

035. SARE Consulting (Assurance Specialist)

Yes

012. Hiroshi Shirai (Shirai CPA Office)

Yes

036. Shrekant Prasad (Govindham Consultancy Services LLP)

Yes

Individual (PAIBs)

005. Control Solutions K.K.

Yes

Other Users / Beneficiaries

025. Luisa Anacoreta (UCP, APFIPP, Sierra IG)

Yes

Q21. Is it clear within each Section that a professional accountant (or firm as appropriate) has the responsibility to comply with the fundamental principles and apply the conceptual framework? Somewhat (3 respondents)

PAO

017. Institute of Chartered Accountants in England and Wales (ICAEW)

Somewhat

Feedback from some of our members is that it might be helpful to include part-specific summaries that consolidate Part 1 obligations alongside Part-specific provisions, to reduce the extent of the need to cross-refer.

Accounting Firms

003. BDO International Limited (BDO)

Somewhat

While the Introductions to the different Parts of the Code clearly articulates this principle, inconsistencies do arise within the different Parts of the Code. For example, the application of the conceptual framework within the contexts set out in Section 270 (Pressure to Breach the Fundamental Principles) and Section 220 (Preparation and Presentation of Information) are identified as applying to both Professional Accountants in Business (PAIBs) and Professional Accountants in Public Practice (PAPPs) (paragraph 300.5 A1). However, these sections are included only in Part 2 of the Code and are not replicated within Part 3. We believe further clarification is needed to explain why these provisions have not been incorporated into Part 3. Given the relevance of these principles to both PAIBs and PAPPs, including them within Part 3, or providing clearer cross-references and explanatory guidance, would help avoid unintended omissions and promote more consistent application of the Code across all professional accountants.

Other Users / Beneficiaries

008. David Mensah (National Applied Research Institute)

Somewhat

The responsibility to comply with the fundamental principles and apply the conceptual framework is stated in each Section, but the clarity varies. For experienced accountants, the linkage is evident, yet for aspiring accountants, academics, and early-career professionals, the language can feel technical and less direct. Greater emphasis on plain-language reminders and practical examples within each Section would make the responsibility clearer and more accessible across diverse stakeholder groups.

Q21. Is it clear within each Section that a professional accountant (or firm as appropriate) has the responsibility to comply with the fundamental principles and apply the conceptual framework? \Not answered (2 respondents)

Regulators or Oversight Bodies

040. Financial Reporting Council (FRC)

As the FRC does not adopt the IESBA Code, we are not able to comment on this question.

Accounting Firms

034. RSM International Limited (RSM)

Not answered

PAO

039. Institute des Diplomes d'expertise Comptable en Entreprise (ECE)

Not answered

Distinction Between Requirements and Application Material

Q22. Does the IESBA Code's approach to delineating requirements ("R" paragraphs) from application material ("A" paragraphs) make it clear what a professional accountant's or firm's obligations are?\Yes (31 respondents)

Regulators or Oversight Bodies

028. Nairobi Securities Exchange (NSE)

Yes

014. Independent Regulatory Board for Auditors (IRBA)

Yes

040. Financial Reporting Council (FRC)

Yes

JSS (Jurisdictional Standard Setters)

001. Accounting Professional and Ethical Standards Board (APESB)

Yes

APESB notes that Australian stakeholders consider the Code's approach to distinguishing requirements ("R" paragraphs) from application material ("A" paragraphs) effective at clearly setting out the obligations of professional accountants and firms. The clear identification of requirements, together with the placement of application material immediately after the relevant requirements, was seen as helping users understand what is mandatory and what is explanatory. This structure supports clearer and more direct interpretation of the Code in practice. APESB considers that this approach appropriately reinforces the distinction between obligations and supporting guidance and supports a consistent understanding and application of the Code. In the Australian Code APES 110, the requirements paragraphs are in bold type to make it absolutely clear which paragraphs are requirements.

029. New Zealand Auditing and Assurance Standards Board (NZAuASB)

Yes

The use of R and A is a clear approach to delineate the requirements from the application material. This is very helpful for educators when teaching the Code to first time users.

However, including requirements and application material in the same document makes the IESBA Code long. IESBA should shorten the Code by focussing it on requirements and essential application material only. Practical examples should sit in linked non-authoritative material, using technology tools. This would help assurance practitioners access detail only when needed and allow IESBA to update examples for emerging situations more quickly.

PAO

021. Japanese Institute of Certified Public Accountants (JICPA)

Yes

022. Korean Institute of Certified Public Accountants (KICPA)

Yes

019. Institute of Singapore Chartered Accountants (ISCA)

Yes

038. Wirtschaftsprüferkammer (WPK)

Yes

032. AICPA – Professional Ethics Executive Committee (PEEC)

Yes

016. Institute of Certified Public Accountants of Uganda (ICPAU)

Yes

013. Hong Kong Institute of Certified Public Accountants (HKICPA)

Yes

039. Institute des Diplomes d'expertise Comptable en Entreprise (ECE)

Yes. The distinction between “R” and “A” paragraphs is one of the clearest benefits of the restructuring. However extensive application material may sometimes be perceived by users as quasi-mandatory. The IESBA should therefore maintain a disciplined distinction between: mandatory requirements; application material necessary to understand those requirements; and broader educational or illustrative material that may be better provided outside the Code. Non-authoritative materials can be valuable, but its purpose and status should remain clear. It should not become an indirect extension of the Code or create quasi-mandatory expectations without appropriate due process.

026. Malaysian Institute of Certified Public Accountants (MICPA)

Yes

030. Pan African Federation of Accountants (PAFA)

Yes

The Guide to the Code is helpful, and the distinction between “R” (requirements) and “A” (application material) clarifies obligations.

027. Malta Institute of Accountants (MIA)

Yes

020. International Federation of Accountants (IFAC)

Yes

IFAC supports the clear distinction between requirements and application material introduced through the restructuring. Overall, the use of separate “R” and “A” paragraphs improves readability and makes mandatory obligations easier to identify.

Some practical concerns regarding the wording of certain application material can be raised. In some cases, application paragraphs use language that may be interpreted as imposing obligations despite not being drafted as requirements. This may blur the distinction between explanatory guidance and enforceable requirements. For example: the phrase “It is generally necessary”, in paragraphs 210.8 A1 and 310.9 A3, may be interpreted as creating an implicit obligation for the professional accountant; the phrase “It is generally expected”, in paragraphs 410.12 A2 and 905.8 A2, may be interpreted as creating an implicit obligation for the firm.

037. South African Institute of Chartered Accountants (SAICA)

Yes

024. Lesotho Institute of Accountants (LIA)

Yes

002. Association of Chartered Certified Accountants (ACCA)

Yes

Accounting Firms

003. BDO International Limited (BDO)

Yes

023. KPMG International Limited (KPMG)

Yes

The distinction between requirements and application material is clear and effective. As the Code is increasingly accessed through digital tools, including AI-based tools, it is increasingly important to maintain clear drafting so that these tools can reliably distinguish between requirements and application material.

010. Ernst & Young Global Limited (EY)

Yes

011. Forvis Mazars Global Limited (MAZARS)

Yes

007. Crowe Solutions for Professional Consulting (Crowe KSA)

Yes

031. PricewaterhouseCoopers International Limited (PwC)

Yes

Individual PAPPs

035. SARE Consulting (Assurance Specialist)

Yes

012. Hiroshi Shirai (Shirai CPA Office)

Yes

036. Shrekant Prasad (Govindham Consultancy Services LLP)

Yes

Individual (PAIBs)

005. Control Solutions K.K.

Yes

Other Users / Beneficiaries

025. Luisa Anacoreta (UCP, APFIPP, Sierra IG)

Yes

Q22. Does the IESBA Code's approach to delineating requirements ("R" paragraphs) from application material ("A" paragraphs) make it clear what a professional accountant's or firm's obligations are? \Somewhat (7 respondents)

PAO

006. CPA Australia

Somewhat

The APES 110 adoption of the Code makes the requirements very clear by presenting them in bold. This is very helpful visually. We query whether users understand the difference between application material which sits within the Code and non-authoritative material that sits outside the Code.

033. Royal Netherlands Institute of Chartered Accountants (NBA)

Somewhat

The 'R' paragraphs make it clear it is a requirement. The "A" paragraphs provide more explanation. This adds value to the code. However, a lot of paragraphs are included in a section and the application is directly included beneath the requirements which makes it somewhat hard to differ or seems also a requirement.

018. Institute of Chartered Accountants of Scotland (ICAS)

Somewhat

We believe that there are still differing interpretations of the status of application material and how this is to be considered in relation to the requirements. Whether this is a fault of the Code, or of users, or both, is not immediately clear.

004. Chartered Accountants Australia and New Zealand (CA ANZ)

Somewhat

Somewhat. Assuming members appropriately familiarise themselves with either paragraphs 100.5 A1 and A2 of the Code or the instructions provided in the "Guide to the Code", specifically "How to Use the Code", (paragraphs 4 – 16) the system applied to delineate requirement paragraphs from application materials is clear. However, both APESB and NZICA have chosen to bold the requirements to further highlight this delineation and to assist readability.

017. Institute of Chartered Accountants in England and Wales (ICAEW)

Somewhat

Feedback from some of our members is that a short summary of mandatory obligations at the beginning of a section might be helpful.

Accounting Firms

009. Deloitte Touche Tohmatsu Limited (DTTL)

Somewhat

We noted that in certain areas of the Code, in particular Part 5, “hidden” requirements exist in application material. See our response to question 27 for further details.

Other Users / Beneficiaries

008. David Mensah (National Applied Research Institute)

Somewhat

The distinction between “R” and “A” paragraphs is conceptually helpful, as it signals which parts are binding requirements and which provide guidance. However, for aspiring accountants, academics, and early-career professionals, the formatting alone may not always make the obligations fully clear. In some sections, the application material feels too close in tone to the requirements, which can blur the line between mandatory compliance and explanatory context. More consistent use of plain-language cues and practical examples would strengthen clarity and ensure that all users — from students to experienced practitioners — understand their obligations without ambiguity.

Q22. Does the IESBA Code's approach to delineating requirements ("R" paragraphs) from application material ("A" paragraphs) make it clear what a professional accountant's or firm's obligations are? No (1 respondents)

PAO

015. Institut der Wirtschaftsprüfer (IDW)

No

We agree that, on the whole, there is delineation in the Code between actions that are both required and prohibited (requirements) from supporting text (application material). However, we consider delineation has not been consistently or unambiguously applied in terms of the wording used.

In particular, there are many instances where application material appears to actually contain a requirement. For example: the wording of 210.8 A1 and 310.9 A3 imply hidden requirements or are at least ambiguous because they use the phrase "It is generally necessary ...". The level of authoritativeness should be clear to readers, but it is not (i.e., can a safeguard be deemed effective or ineffective if full disclosure is not made to, and consent obtained from, the relevant parties in one of the various ways outlined in 210.8 A2 or 310.9 A3). 220.7 A2 and 320.10 A2 start with "Factors to consider when a professional accountant intends to use the work of others include ...", which implies the list of inclusions are themselves requirements and so not appropriately placed within application material. Other similar examples are in 220.8 A1, 260.16 A1, 310.7 A1, 310.9 A1, 320.11 A1, 360.11 A2, 360.19 A1, 360.18b A1, 360.30 A2, 360.34 A1 and 360.36 A3. There is also an instance where this wording is used in the introduction in 400.14.

We note several instances where application material refers to "expectations" of professional accountants. Notwithstanding the placement of such text in application material, the use of such terminology does mean that the authority of this text may be less clear than is desirable in the restructured Code. For example, the second sentence of proposed 200.5 A3 implies that any professional accountant in a suitably senior position in an organization ought to live up to the expectation and thus encourage and promote an ethics-based culture. The extent of such an implicit requirement remains unclear. As a minimum it could be a requirement applicable to all professional accountants not to discourage such a culture; as a maximum it could be a requirement – conditional on the professional accountant holding a suitably senior position – to actively encourage and promote this (this may be problematic to the extent that taking any necessary concrete measures may not be in the remit of the role assigned to that individual). Further examples of expectations include: 260.12 A1, 260.24 A1, 360.10 A2 and 360.29 A1. In 410.12 A2 and 905.8 A2 even further ambiguity is added with the phrase "It is generally expected that...".

Furthermore, as noted in our answer to question 19, the structure of the individual sections of the Code differs significantly from that of the IAASB standards, which follow a more linear approach (introduction–objective–definitions–requirements–application material). This contrasts with multiple subsections each with requirements and application material as well as definitions separated into a glossary in the Code. The lack of a clear structural alignment makes it more difficult for practitioners to understand how ethical requirements interoperate with IAASB standards. Greater alignment with the conventions used by the IAASB, whilst retaining the four-part structure, including the distinction between parts 4A and 4B, would be very beneficial. An overall guidance document with a comparable structure and scope to that of the IAASB Complexity, Understandability, Scalability and Proportionality (CUSP) Drafting Principles and Guidelines document, with explanations of any differences in terms or approach to IAASB practice that cannot be

eliminated, would serve as a guide for the IESBA to enable greater consistency when drafting an overhauled Code, and may also be helpful for users of the Code. In particular, such a document could make it clear what wording should be used to differentiate between requirements and application material.

Q22. Does the IESBA Code's approach to delineating requirements ("R" paragraphs) from application material ("A" paragraphs) make it clear what a professional accountant's or firm's obligations are? \Not answered (2 respondents)

Accounting Firms

034. RSM International Limited (RSM)

Not answered

PAO

039. Institute des Diplomes d'expertise Comptable en Entreprise (ECE)

Q23. Is it sufficiently clear that the Code is scalable and proportionate? \Yes (17 respondents)

Regulators or Oversight Bodies

028. Nairobi Securities Exchange (NSE)

Yes

014. Independent Regulatory Board for Auditors (IRBA)

Yes

The scalability is clear, particularly through the distinct presentation of requirements for Public Interest Entities (PIEs) versus non-PIE engagements.

PAO

019. Institute of Singapore Chartered Accountants (ISCA)

Yes

016. Institute of Certified Public Accountants of Uganda (ICPAU)

Yes

026. Malaysian Institute of Certified Public Accountants (MICPA)

Yes

030. Pan African Federation of Accountants (PAFA)

Yes

Scalability is clear in principle, but smaller practices struggle with application because of lack the resources, infrastructure, and training to implement it effectively. This leads to uneven application across Africa, with SMEs needing simplified guidance, case studies, and proportionate mechanisms tailored to their realities.

037. South African Institute of Chartered Accountants (SAICA)

Yes

039. Institut Des Diplomes D'Expertise Comptable En Entreprise (ECE)

Yes. The fundamental principles and conceptual framework are inherently scalable because they require professional judgment based on the facts and circumstances. However, the length and technical complexity of the Code can make this scalability less visible particularly for PAIBs and smaller organizations. Scalability would be better demonstrated through concise practical examples involving organizations of different sizes and levels of complexity, rather than through additional detailed provisions.

002. Association of Chartered Certified Accountants (ACCA)

Yes

Accounting Firms

009. Deloitte Touche Tohmatsu Limited (DTTL)

Yes

023. KPMG International Limited (KPMG)

Yes

In addition to the sections of the Code that apply only to public interest entity audit clients, which are scaled by design through their scope, the Code's use of principles enables scalability and proportionality. The principles in the Code, as opposed to prescriptive requirements, are inherently more scalable and proportionate, allowing firms to determine how best to comply with the principles depending on their particular circumstances.

010. Ernst & Young Global Limited (EY)

Yes

011. Forvis Mazars Global Limited (MAZARS)

Yes

Individual PAPPs

012. Hiroshi Shirai (Shirai CPA Office)

Yes

036. Shrekant Prasad (Govindham Consultancy Services LLP)

Yes

Other Users / Beneficiaries

008. David Mensah (National Applied Research Institute)

Yes

The Code emphasizes scalability and proportionality, which is important for diverse jurisdictions and varying sizes of firms. However, for aspiring accountants, academics, and smaller organizations, the practical application of scalability is not always obvious. While the principles are sound, clearer guidance and more illustrative examples would help demonstrate how proportionality works in practice — especially for those outside large firms or regulatory bodies. This would ensure that the Code is accessible and applicable across all levels of the profession.

025. Luisa Anacoreta (UCP, APFIPP, Sierra IG)

Yes

Q23. Is it sufficiently clear that the Code is scalable and proportionate? \Somewhat (20 respondents)

Regulators or Oversight Bodies

040. Financial Reporting Council (FRC)

The IESBA Code provides a strong ethical foundation for the global accountancy profession. However, we would observe that the growth in the overall length of the Code, as well as the increase in granular requirements, may pose challenges for the overall scalability and proportionality of the Code. Indeed, the publication of 'The Proportionality of the IESBA Code' by the IESBA staff could be taken as an indication that the Code itself is insufficiently clear on these matters.

A focus on specific requirements might serve to obscure the fundamental principles developed by the Conceptual Framework and could make it harder to apply the underlying principles in all circumstances. Moreover, a longer Code may require increased resource to support its maintenance and thereby constrain the ability of the IESBA to respond to emerging issues in a timely manner.

We would therefore encourage the IESBA to consider ways in which the scalability and proportionality of the Code could be enhanced.

JSS (Jurisdictional Standard Setters)

001. Accounting Professional and Ethical Standards Board (APESB)

Somewhat

APESB considers the Code to be generally well understood as scalable and proportionate, with principles intended to apply across organisations of all sizes. APESB also notes that scalability can be supported through practical guidance and case-based education, while maintaining that ethical principles apply consistently regardless of entity size. Australian stakeholders provided feedback at a roundtable that some language and examples reflect larger organisational contexts and may not translate directly to smaller practices and businesses, particularly in areas such as escalation processes.

029. New Zealand Auditing and Assurance Standards Board (NZAuASB)

Somewhat

Building blocks approach supports scalability. We acknowledge that the building-blocks approach supports scalability, notably for professional accountants in business who apply only Part 1 and Part 2. Professional accountants in public practice who do not perform assurance services, apply Part 1 and Part 3 and in specific circumstances are required to apply Part 2 (as required by paragraph R300.5). However, the Code

is less scalable for assurance practitioners and firms. Those who perform audits, sustainability assurance and other assurance engagements must apply multiple parts of the Code and understand fine distinctions between similar requirements. This requires in-depth, technical knowledge and reduces scalability for those users.

Use of heading for PIE and non-PIE clients is helpful. We note that the use of headings for PIE and non-PIE clients demonstrates useful scalability of the independence provisions for different types of entities.

Length and complexity affect scalability. The Code's length is intimidating and creates a barrier for both existing and new assurance practitioners. Understanding the Code requires significant technical resource and time. Assurance practitioners often rely on a small number of experts within their firms who understand the nuances. We recommend that IESBA prioritise scalability and proportionality so that the Code can be used with more confidence by less experienced users or practitioners from small practices.

Adding new matters to the IESBA Code should be limited. The Code cannot keep expanding. IESBA should use the opportunity to streamline and simplify the Code, rather than continue to add further layers. IESBA should focus on ensuring consistent understanding of the fundamental principles, supported by practical case studies outside the Code. Real life case studies (as opposed to obvious “black and white” examples) would be appreciated and would have real impact on consistent application. IESBA should also consider whether requirements can be repackaged, for example through a less complex entities approach, to improve proportionality and scalability.

Challenges for standard-setters. The Code's length also creates practical challenges for jurisdictional standard setters. It is difficult to maintain, format and publish a document of this length. Adding Part 5 makes the document increasingly difficult to manage, unstable and prone to technical issues. In New Zealand, PES 1 is issued as secondary legislation, and has to meet understandability, formatting and accessibility expectations. IESBA should make the Code easier to publish in digital formats and easier to maintain.

PAO

021. Japanese Institute of Certified Public Accountants (JICPA)

Somewhat

Since the IESBA Code is principle-based, professional judgment is required in specific situations. To support this, the provisions should not be added in a detail way; rather, it is desirable to undertake initiatives such as collecting and compiling case studies to provide examples of specific situations in various fields.

022. Korean Institute of Certified Public Accountants (KICPA)

Somewhat

Because the NOCLAR provisions and certain sections include requirements that may be difficult for PAPPs in small- and medium-sized accounting firms, or for PAIBs, to comply with, it is difficult to view the Code as fully proportionate.

006. CPA Australia

Somewhat

Language supporting or demonstrating proportionality and scalability is not always evident. Particularly where the language moves from principles-based to prescriptive. The more prescriptive provisions tend to relate to larger firms/businesses and is difficult to be scalable and proportionate. In particular, the language doesn't lend itself to micro firms and sole-practitioners. To give an example, section 300.7 and 300.8 doesn't give examples relevant to a sole practitioner. It would help if the unique threats and resolutions that a sole/small firm faces would help apply this section of the code where needed.

038. Wirtschaftsprüferkammer (WPK)

Somewhat

Somewhat. We wish to emphasize that sticking to a principles-based approach is essential for the future work of IESBA. Therefore, it is not practical to respond to all new developments with more and more detailed and complex requirements and rules. Principles are more appropriate to be quickly applied to new developments and changes in the environment. Attempting to address every special case or even almost every development with specific rules risks creating an overly complex, inconsistent and impractical framework.

018. Institute of Chartered Accountants of Scotland (ICAS)

Somewhat

Please refer to our comments at Q19 above re the increasing length of the Code.

[Referenced comment under Q19 – Building-blocks approach: Yes, in general we believe that the messaging is simple and clear. We were supportive of moving the professional accountants in business section forward as part of the restructured Code project to better highlight that the Code applies to PAIBs. However, worryingly, we do continue to receive feedback from both PAPPs and PAIBs that the Code continues to increase in length and in so doing is inadvertently sending the message that it is now becoming more rules-based, rather than principles-based.]

032. AICPA – Professional Ethics Executive Committee (PEEC)

Somewhat

Somewhat. We respectfully observe that there is broad concern that the IESBA code is becoming increasingly lengthy, granular, and prescriptive, thereby risking movement away from the principles-based framework that has long been one of its principal strengths. As the code expands in volume and detail, it may become more difficult for professional accountants to navigate and apply it consistently and effectively in practice. This concern is particularly significant for SMPs, which may face disproportionate implementation challenges as complexity increases. In our view, the cumulative effects of complexity, cost, and over-regulation should properly be considered public-interest matters, as this may adversely affect adoption, global consistency, and the practical usability of the code without a commensurate improvement in outcomes (i.e., increase fragmentation).

The effectiveness of international ethics standards depends not only on their technical rigor, but also on their scalability, stability, and interoperability. A period of relative stability would permit recent amendments to be properly understood, implemented, and evaluated before significant additional revisions are undertaken. In that context, we encourage IESBA to place greater emphasis on rigorous assessment of the expected benefits of new requirements relative to their implementation costs, particularly where proposals may create overlap or duplication with the work of other international standard-setting boards. The line between ethical and performance standards, including audit and assurance standards issued by the IAASB, should be distinct. If IESBA has identified deficiencies in performance standards, the board should also identify a way to engage the appropriate parties, including the IAASB, to address those standards, instead of adding performance requirements to the code. Comingling performance standards in the ethical standards will lead to confusion and a lack of interoperability between these standards. For these reasons, we believe a cautious approach to further significant amendments to the code over the next five years would be appropriate.

Finally, we note that the existing code already provides a robust and adaptable ethical framework for addressing matters such as fraud and the involvement of non-professional accountants. The fundamental principles, the conceptual framework, the NOCLAR provisions, and the requirements relating to supervision, competence, and confidentiality together establish enforceable ethical expectations that can be applied across a broad range of evolving circumstances. In our view, these mechanisms are sufficient to address emerging issues in a manner that is scalable, globally applicable, and durable. Accordingly, we suggest that IESBA's efforts may be most effective if directed toward supporting consistent understanding and application of the existing principles in practice, rather than toward introducing additional prescriptive requirements in these areas.

004. Chartered Accountants Australia and New Zealand (CA ANZ)

Somewhat

Somewhat. The Guide to the Code does not specifically address scalability or proportionality other than through the concept of professional judgement. The interaction between requirements and application material does not always support the Code being applied in a scalable manner. While a principles-based framework is intended to promote scalability or proportionality across varying circumstances, this objective may be diluted where requirements do not clearly reflect the nature and significance of threats being addressed. In such cases, an increased emphasis on compliance with specific provisions can constrain, rather than support, scalability and proportionality.

015. Institut der Wirtschaftsprüfer (IDW)

Somewhat

The origins of the Code are rooted in a principles-based approach, and its core remains principles-based. However, the Code has continued to be expanded in length and granularity. The resulting document has become overly detailed and increasingly difficult for users to navigate and apply in practice.

Furthermore, the Code does not recognize scalability or proportionality as underlying design principles. In particular: there is no explicit reference to “scalability” or “proportionality” anywhere in the Code; the Code does not adopt an explicit “think small first” or similar approach to guide application in less complex

circumstances; the extent to which proportionality is achieved therefore depends largely on interpretation and the exercise of professional judgment, rather than on clearly signposted drafting features; independence requirements for independence in appearance do not include reasonable de minimis exceptions that no reasonable third party would believe would cause a diminution of independence in appearance.

Furthermore, as noted in our answer to question 19, greater alignment with the conventions used by the IAASB, whilst retaining the four-part structure, including the distinction between parts 4A and 4B, would be very beneficial. An overall guidance document with a comparable structure and scope to that of the IAASB Complexity, Understandability, Scalability and Proportionality (CUSP) Drafting Principles and Guidelines document, with explanations of any differences in terms or approach to IAASB practice that cannot be eliminated, would serve as a guide for the IESBA to enable greater consistency when drafting an overhauled Code and would be particularly useful for achieving scalability and proportionality.

017. Institute of Chartered Accountants in England and Wales (ICAEW)

Somewhat

The recent IESBA staff publication ("The Proportionality of the IESBA Code") is helpful. But the need for the publication illustrates that the Code itself is not sufficiently clear in this regard. The increasing length of the Code and the drift from a broad set of principles towards an expanding body of rules and requirements is in danger of making the Code no longer fit for purpose.

013. Hong Kong Institute of Certified Public Accountants (HKICPA)

Somewhat

Given the extent of the Code, it appears overwhelming for small organisations.

027. Malta Institute of Accountants (MIA)

Somewhat

024. Lesotho Institute of Accountants (LIA)

Somewhat

Accounting Firms

003. BDO International Limited (BDO)

Somewhat

We acknowledge and appreciate the recent staff publication issued on 'The proportionality of the Code'. The staff publication is a positive step in helping users understand that the requirements are intended to be applied in a manner that is responsive to the public interest, as well as the nature, scale and complexity of the circumstances involved. Nevertheless, we believe there would be further benefit in publishing additional

resources such as illustrative examples, case studies and practical scenarios demonstrating how the provisions may be applied in a scalable and proportionate manner.

007. Crowe Solutions for Professional Consulting (Crowe KSA)

Somewhat

We suggest that there should be a completely separate code of ethics for PIE entities.

031. PricewaterhouseCoopers International Limited (PwC)

Somewhat

We acknowledge that the Code as drafted is scalable in the sense that the independence provisions (in particular) reflect appropriate and different responses depending on whether the client is a public interest entity or not. Furthermore, application of the conceptual framework allows for a proportionate response depending on the facts and circumstances. However, there are a significant number of requirements in the Code, which are not scalable in practice in the sense that the firm or practitioner is obligated to comply with the requirements as drafted. We also note that some parts of the Code are very detailed and prescriptive, rather than setting out broader principles. For example, certain requirements on inducements involving close family members set out specific actions in narrowly defined scenarios (and similarly some of the new tax sections). While this is intended to provide clarity, it can result in requirements operating at a very granular, scenario specific level, rather than at a principles level. This can make the Code less flexible and harder to apply across a wider range of circumstances, particularly where facts do not align neatly with the scenarios addressed in the Code.

Individual PAPPs

035. SARE Consulting (Assurance Specialist)

Somewhat

Only for the distinction between PIEs and non PIEs. Itherwise unclear

Individual (PAIBs)

005. Control Solutions K.K.

Somewhat

It is difficult to make a judgment because the extent to which it should be complied with depends on each individual's discretion.

Q23. Is it sufficiently clear that the Code is scalable and proportionate? \No (2 respondents)

PAO

033. Royal Netherlands Institute of Chartered Accountants (NBA)

No

The Code has several parts with overlapping requirements. The code also includes more and more detailed sections related to specific topics (e.g. tax planning, technology, external expert, sustainability) which are mostly not necessarily new requirements on itself, but an explanation of the conceptual framework and fundamental principles in the case of this specific topic. However on this specific topic it is implemented in the Code of Ethics with new requirements. It is detailed and more rules-bases included in the code. Hence, we emphasize maintaining a principles-based approach. In a rapidly changing environment, overly prescriptive requirements risk becoming outdated too quickly and may encourage a compliance-driven mindset. We encourage to focus on high-quality principles-based standards that support the exercise of professional judgement by accountants and anticipate to adopt/use new developments and technology.

020. International Federation of Accountants (IFAC)

No

The Code addresses scalability and proportionality to some extent through the bottom-up approach, whereby prominence is given to the overarching requirements, and the introduction of additional requirements (where appropriate) for audits of public interest entities (PIEs). However, we believe significant challenges to scalability and proportionality remain.

The Code does not explicitly acknowledge scalability, nor explain how scalability has been addressed or considered and excludes examples on how requirements or application material are scalable.

The Code has become increasingly detailed and prescriptive over successive revisions. While additional specificity may improve consistency in some circumstances, it can also reduce the flexibility that is inherent in a principles-based ethical framework and make proportionate application more difficult. For example: the requirements related to long association, in Section 540, are difficult and at times impossible to apply for smaller firms with a limited number of engagement partners; the requirement for experts to provide information in writing for the accountant's evaluation of the external expert's objectivity, in paragraph R390.5(b)(i), is problematic. Suitably qualified experts may be unfamiliar with such requests or unwilling to invest the time and effort to prepare the required information for smaller firms, prior to engagement. Any resulting reduction in access to external experts is likely to have a disproportionate impact on small and medium-sized practices (SMPs). This may adversely affect engagement quality, constrain firms' ability to accept or continue engagements, and, in some cases, contribute to firms exiting the market altogether.

We would strongly support rationalization and a reduction in the length, complexity and granularity of the Code. Focus on the core principles, supplemented by implementation guidance that illustrates proportionate application in different circumstances, would be helpful.

Q23. Is it sufficiently clear that the Code is scalable and proportionate? \Not answered (2 respondents)

Accounting Firms

034. RSM International Limited (RSM)

Not answered

Q24. If your organization has responsibility to enforce compliance with the provisions of the Restructured Code, has the delineation of requirements and application material helped with enforceability? \Yes (15 respondents)

Regulators or Oversight Bodies

028. Nairobi Securities Exchange (NSE)

Yes

014. Independent Regulatory Board for Auditors (IRBA)

Yes

PAO

021. Japanese Institute of Certified Public Accountants (JICPA)

Yes

019. Institute of Singapore Chartered Accountants (ISCA)

Yes

016. Institute of Certified Public Accountants of Uganda (ICPAU)

Yes

026. Malaysian Institute of Certified Public Accountants (MICPA)

Yes

030. Pan African Federation of Accountants (PAFA)

Yes

The clearer separation between mandatory requirements and explanatory material has improved regulatory oversight, inspections and disciplinary processes. Regulators and PAOs can more readily identify enforceable obligations while practitioners better understand their compliance responsibilities.

037. South African Institute of Chartered Accountants (SAICA)

Yes

024. Lesotho Institute of Accountants (LIA)

Yes

002. Association of Chartered Certified Accountants (ACCA)

Yes

Accounting Firms

003. BDO International Limited (BDO)

Yes

011. Forvis Mazars Global Limited (MAZARS)

Yes

Individual PAPPs

012. Hiroshi Shirai (Shirai CPA Office)

Yes

036. Shrekant Prasad (Govindham Consultancy Services LLP)

Yes

Other Users / Beneficiaries

008. David Mensah (National Applied Research Institute)

Yes

As a doctoral candidate in finance and an aspiring accountant, I do not represent an organization with responsibility to enforce compliance. My perspective is academic and preparatory, engaging with the Code as a future professional and researcher. From this standpoint, the delineation of requirements (“R” paragraphs) and application material (“A” paragraphs) is conceptually helpful, but my role is as a user and beneficiary rather than an enforcer.

Q24. If your organization has responsibility to enforce compliance with the provisions of the Restructured Code, has the delineation of requirements and application material helped with enforceability? \Somewhat (6 respondents)

PAO

022. Korean Institute of Certified Public Accountants (KICPA)

Somewhat

Some application material imposes obligations that are close to requirements, which may create confusion for enforcement authorities.

006. CPA Australia

Somewhat

Our investigation and disciplinary function relies on the APES (Code and Standards) modelled on the IESBA Code to provide a clear indication of a breach. In most instances the instructions are clear and easy to follow (the APES 110 is somewhat easier to rely upon in some instances as the matters deemed important/mandatory are in bold). The restructured Code is a definite improvement since the 2018 version, it is clearer easier to read and implement/impose.

018. Institute of Chartered Accountants of Scotland (ICAS)

Somewhat

We did not experience any significant issues in this regard prior to the introduction of the Restructured Code. That said, on balance, the approach adopted by the Restructured Code has probably been an improvement with respect to clarity.

004. Chartered Accountants Australia and New Zealand (CA ANZ)

Somewhat

Somewhat. CA ANZ's and NZICA's (see Question 12 footnote) Professional Conduct teams and disciplinary bodies have found the delineation of requirements and application materials via bold paragraphs used by APESB and NZICA to be helpful in determining minimum required standards of ethical behaviour and conduct. The disciplinary bodies include individuals who are not professional accountants, making clarity critically important to ensure the bodies function effectively.

017. Institute of Chartered Accountants in England and Wales (ICAEW)

Somewhat

The Code uses some terms which have a specific legal definition in England and Wales. However, the Code defines or uses them in a way which is different from the accepted legal definition in this jurisdiction.

This presents a challenge to drafting allegations against the Code. The area in which this is most problematic is in respect of Integrity. The legal tests for intent (“knowingly”); and “recklessness”, have been the subject of detailed analysis in case law and the inclusion of both terms in section 111.2 creates the potential for confusion in disciplinary hearings.

Section R113 provides that a professional accountant must attain and maintain professional knowledge, at the level required to ensure that a client receives competent professional service, and act diligently and in accordance with technical and professional standards. It does not create a stand-alone requirement to act competently, because competence is linked to attaining and maintaining knowledge and skills at the level required.

This makes it more challenging to bring disciplinary prosecutions under this heading, as an allegation under R113 (a) needs to link (and prove) a failure to attain and maintain professional knowledge and skills at the level required, as opposed to seriously incompetent work.

Accounting Firms

007. Crowe Solutions for Professional Consulting (Crowe KSA)

Somewhat

We suggest to include case studies and illustrations to explain the applicability of the code, if not for all but at least, for the complex / judgemental areas in the application material.

Q24. If your organization has responsibility to enforce compliance with the provisions of the Restructured Code, has the delineation of requirements and application material helped with enforceability? \No (1 respondents)

Individual (PAIBs)

005. Control Solutions K.K.

No

Because the organization to which I belong is not required to comply with the IESBA rules.

Q24. If your organization has responsibility to enforce compliance with the provisions of the Restructured Code, has the delineation of requirements and application material helped with enforceability? N/A (15 respondents)

Regulators or Oversight Bodies

040. Financial Reporting Council (FRC)

N/A

JSS (Jurisdictional Standard Setters)

001. Accounting Professional and Ethical Standards Board (APESB)

N/A

029. New Zealand Auditing and Assurance Standards Board (NZAuASB)

N/A

PAO

033. Royal Netherlands Institute of Chartered Accountants (NBA)

N/A

038. Wirtschaftsprüferkammer (WPK)

N/A

032. AICPA – Professional Ethics Executive Committee (PEEC)

N/A

N/A as we do not enforce the provisions of the Restructured Code. Rather, we enforce the AICPA Code of Professional Conduct.

015. Institut der Wirtschaftsprüfer (IDW)

N/A

013. Hong Kong Institute of Certified Public Accountants (HKICPA)

N/A

027. Malta Institute of Accountants (MIA)

N/A

020. International Federation of Accountants (IFAC)

N/A

IFAC itself does not enforce compliance with the Code and therefore cannot comment directly from an enforcement perspective. However, we are aware that the clearer distinction between requirements and application material has generally assisted interpretation and enforcement.

Accounting Firms

009. Deloitte Touche Tohmatsu Limited (DTTL)

N/A

010. Ernst & Young Global Limited (EY)

N/A

031. PricewaterhouseCoopers International Limited (PwC)

N/A

Firms do not have an external enforcement role. However, individual firms are responsible for maintaining an effective system of quality management, and their internal testing and monitoring processes take compliance with the Code into account through the adoption of PwC network resources. In this context, the distinction between requirements and application material is helpful.

Individual PAPPs

035. SARE Consulting (Assurance Specialist)

N/A

Other Users / Beneficiaries

025. Luisa Anacoreta (UCP, APFIPP, Sierra IG)

N/A

Q24. If your organization has responsibility to enforce compliance with the provisions of the Restructured Code, has the delineation of requirements and application material helped with enforceability? \Not answered (3 respondents)

Accounting Firms

023. KPMG International Limited (KPMG)

Not answered

034. RSM International Limited (RSM)

Not answered

PAO

039. Institut Des Diplomes D'Expertise Comptable En Entreprise (ECE)

N/A

Q25. Is the language used in the Code clear, readable and understandable? \Yes (24 respondents)

Regulators or Oversight Bodies

028. Nairobi Securities Exchange (NSE)

Yes

014. Independent Regulatory Board for Auditors (IRBA)

Yes

040. Financial Reporting Council (FRC)

Yes The FRC does not adopt the IESBA Code and so is unable to provide a full answer to this question. It does use the Code to benchmark its own Ethical Standard. In so doing, we have found the language clear, readable, and understandable.

JSS (Jurisdictional Standard Setters)

001. Accounting Professional and Ethical Standards Board (APESB)

Yes

APESB considers that the language of the Code is generally clear and understandable. We encourage IESBA to continue supporting the development of guidance resources that would further assist consistent understanding and application across a range of practice settings. APESB notes that Australian stakeholders generally consider the Code's language clear and understandable. However, feedback indicates that some terminology and examples may be more readily understood in larger organisational contexts than in smaller practices and businesses. Australian stakeholders also noted that readability alone does not ensure effective understanding and application of the Code. Practical education and guidance, including the use of real-world scenarios that require professional judgement, were viewed as important complements to the language of the Code.

PAO

006. CPA Australia

Yes

Noting that the vast majority of our members and as a PAO, have English as their first language.

019. Institute of Singapore Chartered Accountants (ISCA)

Yes

033. Royal Netherlands Institute of Chartered Accountants (NBA)

Yes

032. AICPA – Professional Ethics Executive Committee (PEEC)

Yes

016. Institute of Certified Public Accountants of Uganda (ICPAU)

Yes

013. Hong Kong Institute of Certified Public Accountants (HKICPA)

Yes

026. Malaysian Institute of Certified Public Accountants (MICPA)

Yes

030. Pan African Federation of Accountants (PAFA)

Yes

039. Institut Des Diplomes D'Expertise Comptable En Entreprise (ECE)

Yes. The language of the Code is clearer and more consistent than before the restructuring. Nevertheless, readability can still be affected by: extensive cross-referencing; the need to combine provisions from several Parts or Sections; defined terminology; extensive application material; technically precise language that may not be intuitive for occasional users. ECE encourages the IESBA to assess readability from the perspective of PAIBs and other users who do not consult the Code regularly.

027. Malta Institute of Accountants (MIA)

Yes

024. Lesotho Institute of Accountants (LIA)

Yes

002. Association of Chartered Certified Accountants (ACCA)

Yes

Accounting Firms

010. Ernst & Young Global Limited (EY)

Yes

011. Forvis Mazars Global Limited (MAZARS)

Yes

007. Crowe Solutions for Professional Consulting (Crowe KSA)

Yes

034. RSM International Limited (RSM)

Yes

We believe the language used in the Code is generally clear, readable and understandable, and the restructuring has achieved its objective of improving clarity through the use of simpler sentence structures, reduced legalistic phrasing and more consistent terminology. In some areas, we noted that the Code is clearer than certain local Codes.

However, certain aspects of drafting continue to give rise to interpretative challenges in application. We acknowledge that the Code defines 'might' as denoting possibility, without ascribing any particular level of likelihood, and that paragraph R600.15 of the Code sets out the test for determining whether a non-assurance service might create a self-review threat. In practice, applying that test still calls for judgement, for example, in assessing whether the results of a service will 'form part of or affect' the accounting records, or whether the audit team will 'evaluate or rely on' the firm's work related to the service. This can lead to differing conclusions about whether a particular service falls within the prohibition, especially for PIEs, where the possibility of a self-review threat is itself the trigger for prohibition (paragraph R600.17 of the Code). The risk is heightened in translation, where a rendered term may inadvertently imply a degree of likelihood that 'might' is deliberately drafted to avoid.

We support this framework and do not suggest any change to the term 'might' or to the breadth of the prohibition it triggers for PIEs, which reflects a deliberate policy choice. Our recommendation is directed solely at supporting consistent application: additional explanatory and application guidance—in particular, examples illustrating application of the test described in paragraph R600.15 of the Code—would help firms reach consistent conclusions across firms and jurisdictions.

We have identified two examples relating to non-assurance services that are typically prohibited under other independence frameworks, where the issue described above is particularly evident: the UK Financial Reporting Council's Revised Ethical Standard 2024 and the auditor independence rules of the US Securities and Exchange Commission, codified in the US Code of Federal Regulations at 17 C.F.R. § 210.2-01.

Paragraph R608.7 of the Code prohibits the provision of legal advice to a PIE audit client where the service might create a self-review threat. Similarly, paragraph R605.6 of the Code prohibits the provision of internal audit services to a PIE audit client where the service might create a self-review threat. While Subsection 605 of the Code, 'Internal Audit Services', provides examples of internal audit services that would be prohibited, there is still a risk of inconsistent interpretation regarding what constitutes a service that 'might create' a self-review threat. As a result, significant judgement may still be required in practice, which may lead to inconsistent application across firms and jurisdictions. Greater clarity, additional examples or more objective criteria may help promote more consistent outcomes and reduce the risk of differing interpretations.

While many sections of the Code are well drafted, there remain areas where ambiguity persists. These issues are less a function of readability in isolation than of provisions that can support a variety of interpretations and application in practice. This suggests that further refinement of supporting guidance in using certain terminology and more explicit linkage between principles, threats and outcomes would be beneficial.

Finally, although some respondents noted that the Code is voluminous, length in itself does not detract from readability where the material is logically structured, as is generally the case under the building-blocks approach.

On balance, the Code represents a significant improvement in clarity and readability; however, targeted refinements—particularly additional illustrative examples to support consistent application of the use of probabilistic language and in reducing interpretative ambiguity—would further enhance its understandability and consistent application.

Individual PAPPs

035. SARE Consulting (Assurance Specialist)

Yes

012. Hiroshi Shirai (Shirai CPA Office)

Yes

We need Japanese version

036. Shrekant Prasad (Govindham Consultancy Services LLP)

Yes

Other Users / Beneficiaries

025. Luisa Anacoreta (UCP, APFIPP, Sierra IG)

Yes

Q25. Is the language used in the Code clear, readable and understandable? \Somewhat (12 respondents)

JSS (Jurisdictional Standard Setters)

029. New Zealand Auditing and Assurance Standards Board (NZAuASB)

Somewhat

The language used in the IESBA Code is highly technical. We acknowledge the improved use of simpler, shorter sentences and use of active language compared to previous versions of the IESBA Code. IESBA should explain the fundamental principles, conceptual framework and key requirements in plain language. This would help practitioners apply the Code appropriately in new circumstances. The technical language creates a barrier for readability and understandability. We have heard views that the language of the Code is suited more for bigger organisations than smaller practitioners. IESBA should also explain the rationale for key requirements in plain language to promote understandability. For example, the requirements relating to group audits or NOCLAR is complex, even to those familiar with the Code. Readers should not need to read IESBA's relevant Board papers to understand why provisions operate as they do.

Different interpretations of the word "might". IESBA should make the meaning of "might" clear at the point where users encounter it. Relying on the Guide or glossary is not enough, because assurance practitioners often go straight to the relevant section. Based on our outreach, the word "might" causes confusion. For example, the phrase that something "might create a self-review threat" is sometimes incorrectly interpreted that there is a low possibility of this happening, therefore can be ignored. We acknowledge that the Guide to the Code explains the meaning of the word "might" when used in the IESBA Code. However, this explanation is easily missed within the lengthy Code.

PAO

022. Korean Institute of Certified Public Accountants (KICPA)

Somewhat

Some terms are not commonly used in the institutional environments of certain jurisdictions, e.g., "company secretary".

038. Wirtschaftsprüferkammer (WPK)

Somewhat

Somewhat. The Code of Ethics has become too detailed, rules-based and complex over recent years. A more principles-based Code would also significantly improve readability, usability and understandability by reducing unnecessary complexity and making the requirements easier to understand and apply consistently in practice.

018. Institute of Chartered Accountants of Scotland (ICAS)

Somewhat

For someone opening up the Code we are not convinced that it is immediately clear to them the status of “may” versus “might”. Additionally, on occasion it can be difficult to determine which of these two terms should actually be used in the specific circumstances.

004. Chartered Accountants Australia and New Zealand (CA ANZ)

Somewhat

Somewhat. Some paragraphs and definitions are long and complicated, which impede appropriate understanding of the underlying instruction or requirement. Long and complex paragraphs may also be difficult to translate into other languages. The inclusion of subjective language, such as “might,” alongside prescriptive terms like “must” and “shall,” can lead to ambiguity in interpretation and application. The use of the words “might” or “may” can be incorrectly interpreted as ‘unlikely’ which is not necessarily correct. Conversely, subjective language can enable flexibility where there may be jurisdictional nuances that make the guidance not applicable in some circumstances.

017. Institute of Chartered Accountants in England and Wales (ICAEW)

Somewhat

Sometimes the precise meaning of a term has to be drawn out from its use in several contexts and statements at different parts of the Code, e.g. the term “professional judgement”.

037. South African Institute of Chartered Accountants (SAICA)

Somewhat

Language is generally clearer than the previous Code, but some sections remain complex, especially those dealing with independence and professional judgment. Section 120 – The Conceptual Framework: Applying the “reasonable and informed third party” test can be challenging in practice because it requires significant professional judgment and may result in different interpretations depending on the facts and circumstances. “reasonable and informed third party” is used in our disciplinary process from a legal perspective. Section 300 and Parts 4A and 4B – Independence for Audit and Assurance Engagements: Determining whether relationships, interests, or services create threats to independence and whether safeguards are sufficient can be difficult, particularly for smaller firms and in complex organisational structures. PIE-related provisions (e.g., Sections 400 and 540): The expanded Public Interest Entity requirements and related independence provisions can be complex to apply, especially when determining whether an entity falls within the PIE categories or when applying the additional restrictions associated with PIE audits. Sections dealing with professional judgment and professional skepticism (e.g., Section 120): While the principles are clear, translating these principles into consistent actions and documenting compliance can be challenging due to the level of judgment required.

Accounting Firms

003. BDO International Limited (BDO)

Somewhat

While the language is clear for technical and policy-focused professionals, we believe there would be significant benefit in providing additional adoption and implementation supporting resources, such as illustrative examples, case studies, and practical scenarios, to demonstrate how the provisions can be applied by professional accountants (who are not ethics & independence subject matter experts) in day-to-day situations.

009. Deloitte Touche Tohmatsu Limited (DTTL)

Somewhat

One of the key objectives of the 2017 restructuring of the Code was to improve drafting clarity. This included using simpler and shorter sentences, simplifying complex grammatical structures, increasing the use of the active voice, avoiding legalistic and archaic terms and clarifying the responsibilities of professional accountants and firms. The original restructured sections in Volume 1 of the Code demonstrate reasonable adherence to these principles. More recent additions, in particular the 2024 Tax Planning standard (Sections 280 and 380), the 2025 Using the Work of an External Expert pronouncement (Sections 290 and 390) and the sustainability-related material in Volume 2, reflect a shift toward longer and more complex sentences, making the expected obligations more difficult to understand.

023. KPMG International Limited (KPMG)

Somewhat

The language is generally clear and readable, and the simplified drafting compared to earlier versions of the Code is helpful. However, there are areas where further enhancements could support more consistent interpretation: certain distinctions in wording, such as differences between terms like “must,” “should,” or similar language, may not always be interpreted consistently, particularly when content is accessed through digital or AI-assisted tools; defined terms are essential to understanding the requirements, however, it is not always clear when a term has a specific defined meaning without separately checking the glossary; for a global audience, particularly non-native English speakers, certain wording may still be difficult to interpret consistently, leading to a lack of clarity about the intended meaning of some provisions. Further improvements in plain language, clearer terminology, and better visibility of defined terms would make the Code easier to use particularly across different jurisdictions and languages.

031. PricewaterhouseCoopers International Limited (PwC)

Somewhat

While we believe that the language used in the Code results in the Code being readable and understandable, there are times when important concepts are not clearly defined or explained in the Code. For example, the concept of “direction, supervision and review” (as used in 290.4 and 390.4) is not

explained in the Code, and is one drawn from Assurance concepts established by IAASB. Its use in the Code, and notably in relation to the provision of non-assurance services, is not wholly clear.

However, as noted above, to ensure that the concepts and requirements in the Code are well understood and applied we have had to develop an extensive range of guidance notes, notably in the areas of financial interests, close business relationships, technology and non-assurance services.

We would also note that very long sentences can hinder an understanding of the Code and we would encourage IESBA to focus on being concise and succinct wherever possible.

Other Users / Beneficiaries

008. David Mensah (National Applied Research Institute)

Somewhat

The Code is generally well-structured and uses formal language appropriate for professional accountants. However, certain provisions can feel overly technical and less accessible for aspiring accountants, academics, and early-career professionals. For example, sections dealing with non-compliance with laws and regulations (NOCLAR) and independence requirements for audit engagements are drafted in highly technical terms that may be difficult for non-specialists to interpret. While the precision is necessary for enforceability, greater use of plain-language explanations and illustrative examples would improve readability and ensure broader understanding across diverse stakeholder groups.

Clarity of Language and Readability

Q25. Is the language used in the Code clear, readable and understandable? \No (4 respondents)

PAO

021. Japanese Institute of Certified Public Accountants (JICPA)

No

In the course of revisions to the JICPA Code in accordance with the IESBA Code, we have asked more than 60 inquiries over the past three years (since 2023) to clarify the meaning of specific terms in the IESBA Code. For example, the term “transfer” in paragraph 114.1 A1 and the term “transmission” in paragraphs 606.3 A2 and 900.13 A5 are both used in the context of sending information (data), but different terms are used. When different terms are used, each jurisdiction would develop the local code on the premise that their meanings differ. However, if the different terms actually refer to the same meaning, there is a risk that each jurisdiction would develop the local code based on the interpretation that differs from the IESBA Code. Therefore, we request the IESBA to use the consistent terminology and provide the detailed explanations when different terminology is used. Consequently, we do not assess that the language used in the IESBA Code is clear, readable, and understandable because there are provisions whose meaning cannot be interpreted clearly for particularly users in non-English-speaking jurisdictions.

015. Institut der Wirtschaftsprüfer (IDW)

No

Questions relating to the clarity, readability and understandability of the Code have been a recurring theme in this and our previous comment letters.

While we recognize the restructuring project has sought to address some of these aspects we raised, we continue to observe numerous areas in the current version of the Code where the wording may give rise to uncertainty in practice. However, as noted above, the Code has continued to be expanded in length and granularity. The resulting document has become overly detailed and increasingly difficult for users to navigate and apply in practice.

Please refer to our comments and the examples given in our answers to the other questions of this PIR, including illustrations of hidden requirements, ambiguous terminology, confusion over definitions and the status of the glossary, the lack of scalability and proportionality, redundancy of ideas and unnecessarily different wording for equivalent ideas.

A particular additional area for concern is “exceptional circumstances”. The text dealing with exceptional circumstances (100.6 A3) is extremely important, as circumstances may arise in practice that were not foreseen by the Board in devising the Code, and by its nature a Code cannot anticipate every possible circumstance in which it is intended to apply. A professional accountant may encounter circumstances where, for a variety of different reasons, following a specific requirement “to the letter” would be inappropriate, impracticable or ineffective. Not only does the Code need to deal with this issue clearly, it also needs to be sufficiently robust as to prevent unwarranted misuse. Thus, improving the clarity of the Code in this area is a key issue. We note that although the wording proposed has been changed slightly,

the term “encouraged” does not equate to a clear statement of requirement for a professional accountant. The IAASB faced a similar challenge in its clarity project, and included the following specific requirement and application material to deal with this: ISA 200.23: “In exceptional circumstances, the auditor may judge it necessary to depart from a relevant requirement in an ISA. In such circumstances, the auditor shall perform alternative audit procedures to achieve the aim of that requirement. The need for the auditor to depart from a relevant requirement is expected to arise only where the requirement is for a specific procedure to be performed and, in the specific circumstances of the audit, that procedure would be ineffective in achieving the aim of the requirement. (Ref: Para. A74)”. ISA 200.A74: “ISA 230 establishes documentation requirements in those exceptional circumstances where the auditor departs from a relevant requirement. The ISAs do not call for compliance with a requirement that is not relevant in the circumstances of the audit.” We believe the IESBA should adopt a similar approach.

The need for a radical overhaul: Given the length of the code, producing a comprehensive list of all instances of the issues identified is a task that is unreasonable in answering a PIR. Nevertheless, in our view, the issues and examples identified demonstrate clearly the need to go through diligent exercise to first define a clear structure and conventions that should be used consistently (similar to the CUSP approach from the IAASB). In the short term, the inconsistencies with this approach should be systematically identified and corrected. In the long term, the Code should be radically overhauled and drastically shortened to make it fit for purpose and more principles-based.

020. International Federation of Accountants (IFAC)

No

We believe there are some significant challenges to clarity, readability and understandability.

In particular, some application material appears to convey mandatory expectations through wording that resembles requirements, which may create uncertainty. For example: the phrase “It is generally necessary”, in paragraphs 210.8 A1 and 310.9 A3, may be interpreted as creating an implicit obligation for the professional accountant; the phrase “It is generally expected”, in paragraphs 410.12 A2 and 905.8 A2, may be interpreted as creating an implicit obligation for the firm; it is often unclear to professional accountants whether the use of “and/or”, in paragraphs R260.15, 220.9.A1 and 230.3.A2, is intended to be an “exclusive or”, or an “inclusive or”.

Individual (PAIBs)

005. Control Solutions K.K.

No

Because the ethics rules are a direct translation of the IESBA Code of Ethics, the wording is rigid and the intended meaning is difficult to understand.

Q26. Is the language used in the Code easy to translate? \Yes (15 respondents)

Regulators or Oversight Bodies

028. Nairobi Securities Exchange (NSE)

Yes

014. Independent Regulatory Board for Auditors (IRBA)

Yes

Not applicable to South Africa (IRBA) as we do not translate.

PAO

016. Institute of Certified Public Accountants of Uganda (ICPAU)

Yes

026. Malaysian Institute of Certified Public Accountants (MICPA)

Yes

030. Pan African Federation of Accountants (PAFA)

Yes

The clearer drafting supports translation. However, technical terminology does not always translate easily into African languages, and relatively few jurisdictions have translated the Code. Greater support from IESBA for translation initiatives would improve accessibility across multilingual jurisdictions.

027. Malta Institute of Accountants (MIA)

Yes

039. Institut Des Diplomes D'Expertise Comptable En Entreprise (ECE)

Yes. Consistent terminology supports translation, but some concepts remain difficult to translate without losing nuance. Examples include: reasonable and informed third party; professional judgment; acceptable level; the distinction between “may” and “might”; terminology relating to threats and safeguards. Translations should involve professional translators, local ethics specialists and representative end users. Multilingual glossaries explaining key concepts could also support ore consistent understanding.

024. Lesotho Institute of Accountants (LIA)

Yes

002. Association of Chartered Certified Accountants (ACCA)

Yes

Accounting Firms

011. Forvis Mazars Global Limited (MAZARS)

Yes

034. RSM International Limited (RSM)

Yes

We believe that the language used in the Code is easy to translate. However, as mentioned in our responses to questions 17 and 25, certain terms, such as 'trivial', 'inconsequential' or 'might', may not be easily translatable in a manner that preserves their intended applications or uses, as they are subject to multiple interpretations or meanings.

Individual PAPPs

035. SARE Consulting (Assurance Specialist)

Yes

036. Shrekant Prasad (Govindham Consultancy Services LLP)

Yes

Other Users / Beneficiaries

008. David Mensah (National Applied Research Institute)

Yes

The Code's formal structure and consistent use of “R” and “A” paragraphs support translation, but certain technical provisions may be challenging to render clearly across languages. For example, sections on non-compliance with laws and regulations (NOCLAR) and independence requirements for audit engagements use highly specialized terminology that may not have direct equivalents in other languages. While precision is necessary, greater use of plain-language explanations and illustrative examples would make translation easier and ensure consistent understanding across jurisdictions.

025. Luisa Anacoreta (UCP, APFIPP, Sierra IG)

Yes

Q26. Is the language used in the Code easy to translate? Somewhat (8 respondents)

PAO

022. Korean Institute of Certified Public Accountants (KICPA)

Somewhat

Some terms are difficult to translate because they do not exist in our jurisdiction. For example, the term “concurrent” in paragraph R600.23 of the 2025 edition is difficult to translate because it is not used in our jurisdiction.

006. CPA Australia

Somewhat

We have heard this anecdotally only. Please see our response to Q26.

033. Royal Netherlands Institute of Chartered Accountants (NBA)

Somewhat

A lot of wording is dependent on the context. For example 'determine' is translated commonly in Dutch in three different words 'bepalen', 'beslissen' or 'vaststellen'.

037. South African Institute of Chartered Accountants (SAICA)

Somewhat

Simplified language assists translation, but technical terminology may still require interpretation. Public Interest Entity (PIE) provisions: Terms such as “public interest entity” and related categories may require interpretation where local legal or regulatory frameworks use different definitions or terminology. In South Africa, this has been addressed by defining PIE in the Code to avoid ambiguity and misinterpretation. The distinction between the terms “may” and “might”: While the Restructured Code clearly differentiates “may” (permission) from “might” (possibility), some languages do not make the same distinction, which can create challenges in preserving the intended meaning during translation.

Accounting Firms

009. Deloitte Touche Tohmatsu Limited (DTTL)

Somewhat

Deloitte Global is of the view that translation challenges are not always given sufficient consideration. Some provisions contain unnecessarily long, complex or heavily qualified sentences that are difficult to understand and are therefore likely to present additional challenges in translation. As the Code is intended for global

application and is translated into numerous languages, drafting that is clear, concise and structurally straightforward is essential to preserving consistency of meaning across jurisdictions. Examples include paragraphs 120.5 A6-A8, 300.7 A6, 320.11 A1, 600.6 and 601.5 A2. We note that all of these provisions were added after the 2017 restructuring effort, which demonstrates the need to adhere more closely to the project's drafting principles.

023. KPMG International Limited (KPMG)

Somewhat

Translation of the Code is done by member firms, rather than at a global level. Feedback from our member firms where English is not the first language indicates that while the Code is generally translatable, there are practical challenges that can affect consistency of interpretation. Areas of difficulty reported include: differences in translation approaches across jurisdictions, with some translating very literally and others adapting wording for readability, which can lead to differences in how provisions are understood; certain concepts, technical terms, and specific wording do not always have direct equivalents in other languages, and literal translation may not always convey the intended meaning; these potential differences require clarification to determine the intended meaning; additional challenges arise where terms have a specific technical meaning within the Code that differs from their everyday meaning, or where precise wording needs to be reflected consistently in translation (for example, “significant” vs “material”). Continued use of plain language, clearer and more consistent terminology, and careful consideration of how terms translate across languages would support more consistent understanding globally. There may also be an opportunity to further enhance the standard-setting process by using technology, including AI-based tools, to help identify terms or phrasing that could create translation or interpretation challenges across languages. Incorporating this type of analysis in the drafting process could help improve clarity before a new standard of the Code is finalized.

031. PricewaterhouseCoopers International Limited (PwC)

Somewhat

There are inevitable challenges in translating a long and complex document which includes some complex terms and provisions. As explained, our PwC resources are based, inter alia, on the English version of the Code and are communicated throughout the network in English. Individual firms sometimes translate all or some of those internal policies and this can result in challenges in understanding certain terms or phrases in the Code. For example, the concept of “indirect” effect is not easy to translate.

Individual PAPPs

012. Hiroshi Shirai (Shirai CPA Office)

Somewhat

Q26. Is the language used in the Code easy to translate? No (5 respondents)

PAO

021. Japanese Institute of Certified Public Accountants (JICPA)

No

Please refer to the immediately previous answer.

[Referenced comment under Q25 – Language clear, readable and understandable: In the course of revisions to the JICPA Code in accordance with the IESBA Code, we have asked more than 60 inquiries over the past three years (since 2023) to clarify the meaning of specific terms in the IESBA Code. For example, the term “transfer” in paragraph 114.1 A1 and the term “transmission” in paragraphs 606.3 A2 and 900.13 A5 are both used in the context of sending information (data), but different terms are used. When different terms are used, each jurisdiction would develop the local code on the premise that their meanings differ. However, if the different terms actually refer to the same meaning, there is a risk that each jurisdiction would develop the local code based on the interpretation that differs from the IESBA Code.]

019. Institute of Singapore Chartered Accountants (ISCA)

No

N/A as indicated in the response to Q12 above, the local Code has not been translated.

038. Wirtschaftsprüferkammer (WPK)

No

The Code is difficult to translate, many terms are unclear for non-native speakers, for instance, the distinction between “may” and “might” is difficult to grasp and challenging to translate. Given this fact, and considering the numerous amendments made to the Code over recent years, the WPK has decided not to translate the most recent editions of the IESBA Handbook. Doing so would require substantial resources, and by the time a translation were completed, further amendments would likely already have been issued, necessitating the translation of yet another set of changes.

020. International Federation of Accountants (IFAC)

No

Translation continues to present challenges in many jurisdictions.

Certain drafting conventions, including nuanced distinctions between terms such as “may” and “might”, do not always translate readily into other languages. Similarly, the meaning conveyed by the term “encourage” may not be readily transferable into other languages, potentially leading to a loss of precision and inconsistent interpretation across jurisdictions. Complex and lengthy sentence structures can also make it difficult to achieve consistent interpretation across translations.

The length of the Code itself and frequency of revisions also create barriers to effective translation.

Individual (PAIBs)

005. Control Solutions K.K.

No

The original English text is not written in plain and concise language, making its intent difficult to understand.
We would like the standards to be developed using clear and concise language.

Q26. Is the language used in the Code easy to translate? N/A (6 respondents)

Regulators or Oversight Bodies

040. Financial Reporting Council (FRC)

N/A

JSS (Jurisdictional Standard Setters)

029. New Zealand Auditing and Assurance Standards Board (NZAuASB)

N/A

PAO

018. Institute of Chartered Accountants of Scotland (ICAS)

N/A

032. AICPA – Professional Ethics Executive Committee (PEEC)

N/A

004. Chartered Accountants Australia and New Zealand (CA ANZ)

N/A

017. Institute of Chartered Accountants in England and Wales (ICAEW)

N/A

Q26. Is the language used in the Code easy to translate? \Not answered (6 respondents)

JSS (Jurisdictional Standard Setters)

001. Accounting Professional and Ethical Standards Board (APESB)

Not answered

PAO

015. Institut der Wirtschaftsprüfer (IDW)

Not answered

013. Hong Kong Institute of Certified Public Accountants (HKICPA)

Not answered

Accounting Firms

003. BDO International Limited (BDO)

Not answered

010. Ernst & Young Global Limited (EY)

Not answered

007. Crowe Solutions for Professional Consulting (Crowe KSA)

Not answered
