

IESBA Restructured Code Post Implementation Review Survey

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

Other Comments

Q27. Are there any other comments relating to the structure and drafting of the IESBA Code that the IESBA should consider as part of this PIR?\Comment Provided (31 respondents)

Regulators or Oversight Bodies

014. Independent Regulatory Board for Auditors (IRBA)

The delineation of requirements and application material in the Restructured Code has helped with enforceability, however, from a regulatory and enforcement perspective, ambiguity arises when the Code uses encouraging language rather than explicit mandates. Specifically, enforcement is problematic in instances where the application material merely “encourages” the registered auditor to document certain matters as opposed to “requiring” documentation (for example, the guidance found in paragraphs 110.2 A3 and 360.40 A1). Mandating documentation in these critical areas would significantly strengthen enforceability.

040. Financial Reporting Council (FRC)

N/A

JSS (Jurisdictional Standard Setters)

001. Accounting Professional and Ethical Standards Board (APESB)

None

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

In our view, usability is now the central public-interest issue for the Code. If assurance practitioners cannot easily identify, understand and apply the relevant provisions, the Code risks inconsistent application. IESBA should therefore treat simplification, digital navigation and practical implementation support as priorities for the next phase of work.

Understandability of independence provisions. The IESBA Code is clear that assurance practitioners and firms need to be independent. The Code also clearly identifies whether the requirements apply to the assurance practitioner, the firm or a network firm.

Technical terms and complexity of independence provisions. The independence requirements are difficult to apply without expert knowledge of the Code. For example, the requirements relating to financial interests apply to audit team members or assurance team members. Only after analysing the definitions of “audit team” and “assurance team”, does it become clear that other individuals who might influence the outcome of the engagement also need to be independent. There are also subtle differences in the definitions, for example, the definition of “audit team” includes individuals from network firms, while the definition of “assurance team” does not.

Another area of significant complexity is the independence provisions relating to group engagements. These provisions are among the more complex areas of the IESBA Code and are difficult to interpret and apply consistently in practice, even for experienced users of the Code.

We acknowledge that the independence provisions and definitions are carefully designed for relevant circumstances, and that independence matters are complex and not easy to capture in specific requirements. This complexity reduces understandability and increases the risk of unintentional breaches.

Volume of independence provisions. The specific sections are helpful to find provisions relevant to specific situations. For example, if an assurance practitioner considers investing in shares, they would refer to the financial interest section in the Code.

However, without thorough reading and understanding of all independence provisions in the Code, it is very hard to assess full compliance with the Code. Due to the length of the Code and complexity of specific provisions, most firms rely on technical experts with in-depth knowledge of the Code.

PAO

021. Japanese Institute of Certified Public Accountants (JICPA)

In some cases, the IESBA Handbook was amended without any notification when changes were made to the original text of the IESBA Code.

If adoption and implementation were proceeded in each jurisdiction without knowing that such changes were made, this could lead to the gap between the text in the IESBA Code and the text in the jurisdictional Code.

Therefore, please provide us with information whenever changes are to be made to the original text.

022. Korean Institute of Certified Public Accountants (KICPA)

We believe that the content of Part 2 should be minimized. Because PAIBs are not subject to regulation by JSSs or PAOs in some jurisdictions, there are questions about the effectiveness of the Part 2 provisions. It would be reasonable to leave the regulation of PAIBs to each jurisdiction's regulatory framework.

019. Institute of Singapore Chartered Accountants (ISCA)

We are satisfied with the current structure and drafting of the Code and do not have further input for IESBA to consider as part of this PIR. In particular, we support the clear distinction between requirements (designated with the letter “R”) and application material (designated with the letter “A”), as well as the building blocks approach with clear delineation of Parts 1 to 4B and their applicability to PAIBs and PAPPs. In addition, as shared above, although we have responded to ethics-related queries from members through the TES, we have not received any queries relating to the structure and drafting of the Code.

033. Royal Netherlands Institute of Chartered Accountants (NBA)

We notice a trend that the code becomes increasingly detailed and leaning to rules-based. We also note that the code is leaning more to extending to not only professional accountants but for example also to all sustainability practitioners or specific professions (Role of the CFO). We are restricted to our mandate which is only related to individual professional accountants. We cannot converge the Code in the Dutch provisions outside of our mandate. This also increases the risk of fragmentation. 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.

038. Wirtschaftsprüferkammer (WPK)

Please refer to our comments in paragraph 19.

[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.]

018. Institute of Chartered Accountants of Scotland (ICAS)

We did not receive many specific comments on the structure of the Code prior to the restructuring project. Likewise, we have not received any specific comments since the restructured Code was introduced (other than the recent one mentioned above). However, as we do not translate the Code, we do not believe that we are best placed to judge how successful this project has been.

032. AICPA – Professional Ethics Executive Committee (PEEC)

None.

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

ECE considers that the priority should now be to consolidate the benefits of the restructuring rather than repeatedly expand or reorganize the Code. Improved awareness, accessibility or practical application should not, in themselves, be treated as evidence of a standard-setting gap. Before amending the Code, the IESBA should determine whether an identified issue relates to: standard setting; navigation; education; translation; or implementation. For PAIBs, practical accessibility could be improved through: a digital pathway linking Parts 1 and 2; concise decision trees; short case studies addressing pressure, conflicts of interest, reporting, technology and organizational culture; clearer links to governance and escalation mechanisms. Such support should explain the existing Code rather than create additional obligations. The intended scope and audience of the Code should also remain clear in any supporting material developed to improve accessibility.

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

By design, the Code is intended to be principles-based, promoting professional judgement rather than a minimum level of compliance with prescriptive requirements. However, over time, the Code's complexity has increased significantly, with a growing number of requirements. This raises an important question: does continually adding more requirements or rules genuinely strengthen ethical behaviour, or does it risk undermining it? Evidence from behavioural and governance frameworks suggests that an ever-expanding rulebook does not necessarily lead to better ethical outcomes—in fact, excessive prescription can shift

focus from ethical intent to technical compliance, and may ultimately hinder, rather than enhance, ethical conduct among professional accountants.

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

None at the moment

015. Institut der Wirtschaftsprüfer (IDW)

We do not consider that the Code in its revised structure is fit for purpose. The Code has continued to be expand in length and granularity. The resulting document has become overly detailed and increasingly difficult for users to navigate and apply in practice. Consequently, the Code is seen as unadoptable in many jurisdictions. Whilst retaining the four-part structure, including the distinction between Parts 4A and 4B, we recommend a return to a genuinely principles-based approach, accompanied by a fundamental and radical simplification of the Code to make it truly globally adoptable.

The approach should include part 5 and should be underpinned by a document to guide staff and users in the same way as the CUSP document does for the IAASB. Differences to the IAASB approach should be eliminated where possible, or at least explained as to why a different approach is being taken.

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

Feedback from some of our members is that internal cross-referencing can make parts of the Code difficult to follow and understand.

The Code is now simply too long. The drift away from a principles-based approach towards a detailed corpus of ever-expanding rules and application material within the Code itself, is in danger of making the Code difficult to use and rendering it no longer fit for purpose.

The value of a global code is that it establishes a global baseline. One significant consequence of an ever more detailed rules-based Code, which moves away from the main principles, is that elements of the Code cannot be practically applied in certain jurisdictions. This results in a patchwork of implementation and erodes the value of a global baseline.

026. Malaysian Institute of Certified Public Accountants (MICPA)

We do not have any further comments.

020. International Federation of Accountants (IFAC)

A recurring pattern across several IESBA projects issued after the 2019 restructuring is that the linguistic clarity originally intended to improve readability has not been consistently maintained. Despite the 2019 focus on shorter sentences, simplified grammar and reduced legalistic drafting, more recent projects often contain lengthy, technical and highly detailed provisions.

This is evident in the Engagement Team and Group Audits Independence Project, where definitions include multiple embedded conditions and extensive cross referencing. In the Definitions of Listed Entity and PIE Project, jurisdictional overlays and explanatory material resemble legislative drafting. In the Technology Project and Sustainability Project, complex terminology results in dense and difficult to navigate sentences. Long multi-clause sentences and dense application material in the Tax Planning and Related Services Project create similar challenges for accessibility and understanding. Length and complexity are also evident in other paragraphs including 114.1 A1, R200.10, 260.3, R340.7, and R340.8. Overall, there is an

argument that drafting choices made to address technical complexity may have reduced the usability of requirements and guidance.

We fully understand the challenges IESBA faces when aligning with IAASB standards and addressing emerging topics such as technology and sustainability. However, the increasing granularity and normative tone risk reducing accessibility, particularly for SMPs and jurisdictions with limited technical resources, and may undermine the usability gains achieved through the 2019 restructuring.

We encourage the IESBA to undertake a focused review of drafting conventions, similar to the IAASB's CUSP initiative, and to consider whether certain detailed application material could be relocated outside the main body of the Code. This would help preserve the clarity of the core ethical provisions while still providing practitioners with the necessary explanatory guidance.

037. South African Institute of Chartered Accountants (SAICA)

None

024. Lesotho Institute of Accountants (LIA)

As a small jurisdiction, we face challenges of smaller audit firms, fewer engagement partners as most of the firms are owned and managed by 1 partner, no readily available independent reviewers. As a result, guidance could be provided that could address scarcity of specialist expertise, limited firm resources, concentrated client markets, limited availability of independent reviewers and practical safeguards where ideal safeguards are unavailable.

Further, since we are a small population, we have probably been in school together, are related, go to the same church or have worked together previously, there is a greater likelihood that familiarity threats arise. Additional examples would therefore be helpful to address extended family relationships, traditional community structures, long-standing friendships and former classmates.

002. Association of Chartered Certified Accountants (ACCA)

We have no significant additional comments on the structure and drafting of the IESBA Code as part of this PIR. In our view, the restructuring has improved clarity, readability and navigation, including through the building-blocks approach, the clearer distinction between requirements and application material, and the support provided by the Guide to the Code. We do not suggest further changes to the structure or drafting of the Code at this stage. Where helpful, future revisions could focus on non-authoritative material, such as practical guidance for evolving ethical challenges to support appropriate application of the fundamental principles.

Accounting Firms

003. BDO International Limited (BDO)

We encourage more consistently linking the requirements and application material throughout the Code back to the Conceptual Framework and the Fundamental Principles. Doing so would reinforce that the Code is principles-based and would help users focus on the ethical outcomes being achieved, rather than viewing compliance as a checklist exercise.

More explicit cross-references, explanatory guidance, and practical examples would help bring the Code to life, strengthen the exercise of professional judgement and promote a more consistent application of the conceptual framework across a wide range of circumstances.

009. Deloitte Touche Tohmatsu Limited (DTTL)

Overall, Deloitte Global believes that the Restructured Code, and particularly the drafting conventions introduced through this project, have significantly improved the clarity, readability and understandability of the Code. The clear distinction between requirements and application material, improved structure, and greater use of plain language have made the Code more accessible and easier to navigate, translate and apply in practice.

However, in our view the drafting convention has not been applied consistently in subsequent projects, and this inconsistency has become more pronounced over time. The more recently developed sections, including the Tax Planning provisions and certain sections of the IESSA, contain examples of drafting that depart from the principles established during the restructuring project.

For example, paragraphs 120.5 A6 and 320.11 A1 depart from a “plain English” approach; paragraphs R410.25 and R410.26 use dense cross-referencing and unnecessarily complex sentence structures; and Sections 5405 and 5406 introduce a new numbering format that makes those sections more difficult to navigate. Some paragraphs also use language such as “are expected to” (for example, paragraphs 120.13 A3, 200.5 A3 and 5100.1a) outside the established drafting conventions, which creates uncertainty as to whether the text is intended to impose requirements. Paragraph 5400.3b defines scope and imposes conditions that determine when the sustainability assurance practitioner is required to comply with the IESSA, but there is no related requirement explicitly requiring compliance with the IESSA in these circumstances.

We also observed that the Conceptual Framework, while fundamentally sound, has accumulated drafting issues as new material has been added over time. These include extensive repetition of standard formulations, structures that make the text harder to follow, and some exceptionally long and complex sentences (for example, paragraphs 120.5 A6 and 5120.5 A4) that are difficult to read and likely to present translation challenges.

In our view, these issues do not diminish the overall success of the Restructured Code. Rather, they demonstrate the importance for the Board to consistently apply the original drafting convention as the Code evolves.

As part of this post-implementation review, we encourage the Board to review and, where appropriate, redraft the sections that diverge from the convention to preserve the clarity and accessibility that the Restructuring Project was intended to achieve.

023. KPMG International Limited (KPMG)

The restructuring has improved the overall clarity and organization of the Code. Based on implementation experience, further enhancements could focus on usability and accessibility. In particular:

Enhancing digital functionality, including reintroducing an interactive electronic version of the Code with improved navigation and links.

Including features that allow users to compare different versions of the Code and track changes over time (particularly helpful for translation).

Considering how the Code is used in practice, including through AI and other digital tools, rather than only being read directly.

Ensuring the electronic version of the Code and related resources are accessible in a way that can also be used by AI and other digital tools, without click-through acceptance screens or similar access barriers that limit machine readability and usability.

Making defined terms more visible within the Code so users can more easily identify when a specific meaning applies.

Improving how non-authoritative materials are accessed, for example through links from the relevant sections of the Code.

Continuing to simplify language and terminology to support clarity and ease of use across different jurisdictions.

011. Forvis Mazars Global Limited (MAZARS)

No significant matters have been identified.

007. Crowe Solutions for Professional Consulting (Crowe KSA)

As mentioned earlier, separate guidance related to PIE entities, adding illustrations / case studies would bring clarity to the applicability of the Code.

[Referenced comment under Q23 – Scalable and proportionate: Somewhat (We suggest that there should be a completely separate code of ethics for PIE entities); and Q24 – Enforceability: 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).]

031. PricewaterhouseCoopers International Limited (PwC)

While not directly related to the Structure of the Code, we remark that the length and scope of the Code has increased significantly, with new standard setting activities, and that at over 450 pages (with Part 5 adding a further 300 plus pages) it has become less practicable to implement.

We recommend that the Board considers some form of simplification project to make the Code more accessible and practicable for professional accountants. This might be of particular help to SMPs and individuals who do not have large resources to understand, implement and manage compliance.

034. RSM International Limited (RSM)

While the structure of the Code, including its building-blocks approach and use of cross-referencing, is conceptually sound and supports consistency across topics, the extent of cross-referencing can, in practice, reduce usability and make the Code less efficient to navigate.

Frequent cross-references between sections that are materially distant from one another can interrupt the flow of reading and make it more difficult for users to apply the requirements in a timely and practical manner. For example, Section 420, 'Gifts and Hospitality', refers to Section 340, 'Inducements, Including Gifts and Hospitality', which itself is referenced extensively throughout the Code and may be located more than 100 pages away. This requires users to navigate repeatedly between sections, which can be inefficient and may increase the risk of misinterpretation or oversight.

Although cross-referencing is an effective drafting tool to avoid duplication and maintain consistency, there is a balance to be struck between structural efficiency and user accessibility. In situations where a provision is central to the application of another section, it may be more user-friendly to include the relevant

requirements or a concise summary within the referring section, rather than relying solely on cross-references.

Enhancing usability in this way would support more efficient application of the Code, particularly for practitioners who need to make timely judgements, and may also assist in reducing fragmentation in interpretation. Consideration could therefore be given to selectively reducing reliance on extensive cross-referencing.

Individual PAPPs

035. SARE Consulting (Assurance Specialist)

None

Individual (PAIBs)

005. Control Solutions K.K.

None

Other Users / Beneficiaries

008. David Mensah (National Applied Research Institute)

The restructured Code is a significant step forward in clarity and accessibility, but further refinements could enhance its usability for a broader audience. In particular:

Plain-language integration: While precision is essential, simplifying technical terms and adding explanatory notes would make the Code more accessible to aspiring accountants, academics, and smaller firms.

Practical illustrations: More real-world examples and case studies would help demonstrate how principles apply in diverse contexts, especially across jurisdictions with varying levels of professional infrastructure.

Global scalability: The Code should continue to emphasize proportionality, but clearer guidance for smaller entities and developing economies would strengthen its global relevance.

Translation support: Certain technical provisions (e.g., NOCLAR, independence requirements) are difficult to translate consistently. Supplementary guidance could ensure uniform understanding across languages.

Overall, the structure is strong, but enhancing readability and practical application would ensure the Code remains a living resource for both current professionals and those preparing to enter the profession.

Q27. Are there any other comments relating to the structure and drafting of the IESBA Code that the IESBA should consider as part of this PIR? \Not Answered (9 respondents)

Regulators or Oversight Bodies

028. Nairobi Securities Exchange (NSE)

Not answered

PAO

006. CPA Australia

Not answered

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

Not answered

030. Pan African Federation of Accountants (PAFA)

Not answered

027. Malta Institute of Accountants (MIA)

Not answered

Accounting Firms

010. Ernst & Young Global Limited (EY)

Not answered

Individual PAPPs

012. Hiroshi Shirai (Shirai CPA Office)

Not answered

036. Shrekant Prasad (Govindham Consultancy Services LLP)

Not answered

Other Users / Beneficiaries

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

Not answered
