[Draft] Consultation Paper

IESBA Proposed Strategy and Work Plan for 2028–2031

Agenda Item 3C – Draft for IESBA December 2026 Meeting (Mark-up from October 2026)

[MONTH/YEAR]

About the IESBA

The International Ethics Standards Board for Accountants® (IESBA®) is an independent global standard-setting board. The IESBA's mission is to serve the public interest by setting high-quality, international ethics (including independence) standards. These standards are a cornerstone to ethical behavior in business and organizations, and to public trust in financial and non-financial information that is fundamental to the proper functioning and sustainability of organizations, financial markets and economies worldwide~~ethics standards, including auditor independence requirements, which seek to raise the bar for ethical conduct and practice for all professional accountants through a robust, globally operable *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the Code)~~.

~~The IESBA believes a single set of high-quality ethics standards enhances the quality and consistency of services provided by professional accountants, thus contributing to public trust and confidence in the accountancy profession. The IESBA sets its standards in the public interest with advice from the IESBA Stakeholder Advisory Council (SAC) and under the oversight of the Public Interest Oversight Board (PIOB).~~Along with the International Auditing and Assurance Standards Board (IAASB), the IESBA is part of the International Foundation for Ethics and Audit (IFEA). The Public Interest Oversight Board (PIOB) oversees IESBA and IAASB activities and the public interest responsiveness of the standards.

ABOUT THIS CONSULTATION

This Consultation Paper invites views from stakeholders on the IESBA's proposed Strategy and Work Plan for 2028-2031. The IESBA ~~notes that it~~ has developed this Consultation Paper in coordination with the International Auditing and Assurance Standards Board (IAASB). The IAASB has also issued ~~a similar~~ its consultation paper on its Strategy and Work Plan for the same period. The two Boards' proposed Strategies and Work Plans ~~represent two independent~~ reflect each Board's distinct remit but are complementary ~~approaches aimed at fulfilling each Board's~~ in enabling them to pursue their public interest missions. ~~Stakeholders are invited to account for these complementary approaches in developing their responses.~~

This Consultation Paper comprises three sections:

- Section I – Request for Comments~~;~~
- Section II – Proposed Strategy 2028–2031~~; and~~
- Section III – Proposed Work Plan 2028–2031

The IESBA will consider the responses to the Consultation Paper with a view to approving its Strategy and Work Plan for 2028-2031 in December 2027.

SECTION I: REQUEST FOR COMMENTS (New section added to this version)

The IESBA approved this Consultation Paper (CP) to seek stakeholders' views on its proposed Strategy and Work Plan (SWP) for 2028–2031. The development of the CP was informed by the joint IAASB-IESBA stakeholder survey conducted in 2026 (joint survey) as well as the IESBA's research and monitoring of external developments, matters arising from current IESBA workstreams, outreach to stakeholders, and the Board's strategic reflections. The IESBA will use the CP to engage with stakeholders on the direction and priorities of its work over the next strategy period.

Submitting Comments

We welcome comments on all matters addressed in this CP. We encourage all respondents to submit their comments electronically using the Response Form, which may be downloaded from the IESBA website: www.ethicsboard.org. Using the Response Form facilitates consistency in the structure of responses received from all our stakeholders. This assists us greatly in the timely and effective analysis of the responses.

You may respond to all questions or only those questions on which you have specific comments. All responses will be considered a matter of public record and will ultimately be posted on the IESBA website.

You can further assist our review and analysis by ensuring that your submission responds directly to the questions in the Response Form and includes the rationale for your answers.

When submitting a completed Response Form, it is not necessary to include a separate covering letter containing a summary of your key comments. The Response Form provides an opportunity to include covering or overall remarks or views you wish to place on the public record should you choose to do so.

The completed Response Form can be uploaded using the "Submit Comment" link on the IESBA website: www.ethicsboard.org.

Should you nevertheless prefer to submit your comments in letter form, you may do so by emailing your response to [insert email box].

Questions

Environmental Trends	
1.	Do you agree with the four identified environmental trends and related strategic insights that, together with stakeholder feedback from the joint survey, should drive our strategic objectives and actions for 2028-2031?
Proposed Strategic Objectives and Strategic Actions	
2.	Do the four proposed strategic objectives (see paragraphs [xx–xx]) reflect the appropriate strategic choices for us over 2028–2031? Please explain your reasons, including any changes you would suggest.
3.	Are the proposed strategic actions appropriate to achieve each strategic objective? If not, what should we add, change or remove?

Proposed Work Plan	
Table 2 sets out our proposed initiatives and activities for 2028–2031, including a proposed framework for timely responses to emerging issues or developments (Table 2, item 1.1). Table 4 shows how we propose to allocate our resources in 2028.	
4.	Does our proposed work plan allow us to respond to emerging issues or developments and strike an appropriate balance between developing new or revised standards and supporting the adoption and implementation of the Code? Please explain your reasons.
5.	Do you support the initiatives or activities set out in Table 2? If not, please explain which of them we should defer, scale back or not pursue, and why. Please refer to individual items by their number in Table 2.
6.	Are there other initiatives or activities that we should consider? If so, please explain how they compare in importance with the work in Table 2 and share any evidence that would help us assess them.
7.	Are there specific areas not covered in the proposed work plan where PAIBs or PAPPs other than auditors need more support from us, or where the Code does not adequately address their circumstances? Please share any evidence that would help us assess them.
Other Matters	
8.	Do you have comments on any other matters addressed in this Consultation Paper, or any significant matters not covered that you believe we should consider in finalizing our Strategy and Work Plan for 2028–2031?

Comments are requested by [Month/Date/Year].

SECTION II: PROPOSED STRATEGY 2028-2031

VISION

[To be ~~added~~discussed by the IESBA in 2027]

VALUE PROPOSITION

[To be considered by the IESBA in 2027]

KEY STAKEHOLDER FEEDBACK, ENVIRONMENTAL TRENDS AND STRATEGIC INSIGHTS

~~1. This section sets out the key stakeholder feedback, environmental trends and related strategic insights that shape our proposed strategy. They draw on the feedback from a joint stakeholder survey with the IAASB, to which 108 stakeholders responded, as well as our research and monitoring of external developments, matters arising from current IESBA workstreams, outreach to stakeholders, internal surveys of Board members and staff regarding trends, risks and opportunities, and the Board's strategic reflections. We begin with key messages we heard from stakeholders and then describe four environmental trends that we believe will shape our environment over 2028–2031. Together, the stakeholder feedback, trends and related insights underpin our proposed strategic objectives and actions.~~

Key Messages We Heard from Stakeholders

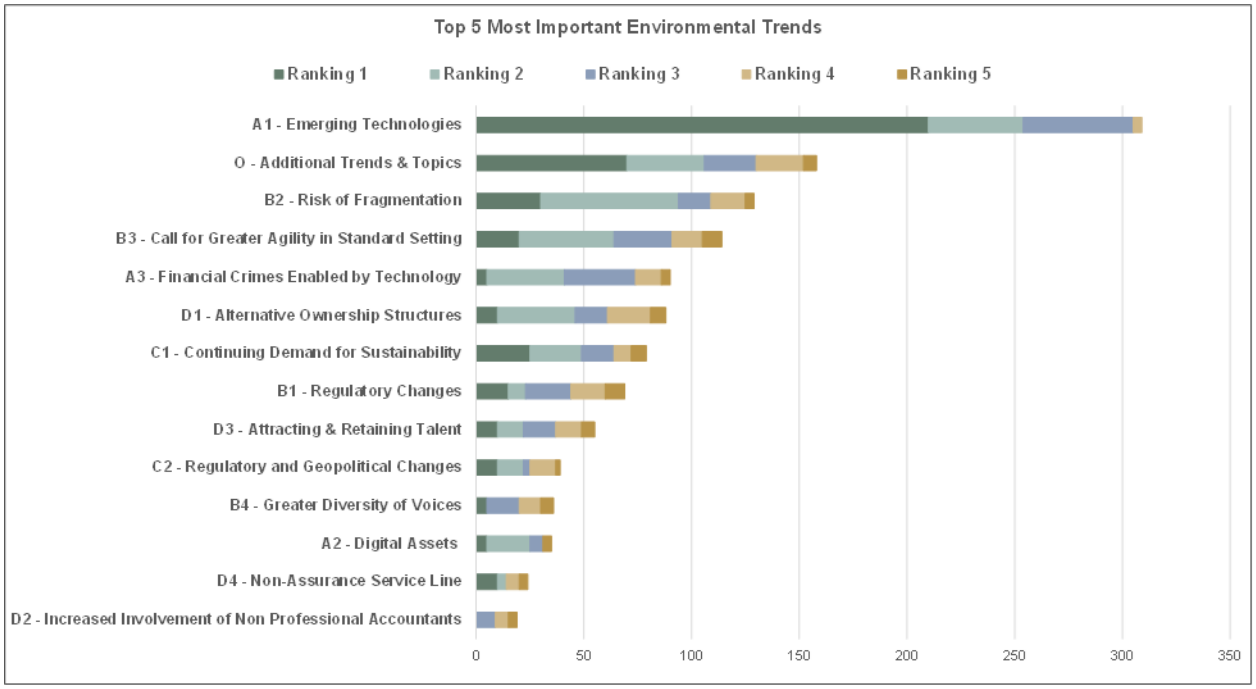
~~2.~~1. In 2026, the IESBA and the IAASB conducted a joint stakeholder survey to inform their strategies and work plans for 2028–2031. The 108 respondents came from a wide range of stakeholder groups and regions, including two Monitoring Group members, the International Organization of Securities Commissions (IOSCO)[1] and the International Forum of Independent Audit Regulators (IFIAR).

2. Respondents overwhelmingly identified the increasing use of AI and emerging technologies as the most important trend, a view shared across all regions and virtually all stakeholder groups. This was followed by the risk of increasing regulatory fragmentation, technology-enabled financial crime and alternative ownership structures of firms., ~~as well as a call~~ There was also strong support for greater agility in standard setting.

3. The chart below shows the top five rankings of the pre-identified trends from the joint survey.[2]

[1] Refer to Appendix 1 for the list of acronyms and abbreviations

[2] The chart presents a weighted rank score that gives 5 points to Rank 1, 4 to Rank 2, down to 1 point for Rank 5.



~~Key feedback from respondents is reflected in the discussions of three of the four main environmental trends identified below: interconnected markets, fragmenting rules (Trend 1); erosion of institutional trust and a new architecture of accountability (including changing firm ownership, structures and business models, and technology-enabled financial crime) (Trend 2); and AI, sustainability and other new frontiers (Trend 3).~~

~~A large proportion of professional accountants[3] (PAs) work outside audit and assurance and face growing ethical pressures. So, we have also identified a fourth main trend, evolving ethical expectations beyond audit (Trend 4), reflecting the growing complexity of the roles played by PAs outside audit and assurance as well as professionals in firms who are not PAs, the evolving expectations placed on them, and the ethical challenges arising from their increasing involvement in areas such as corporate decision-making, sustainability, technology and organizational governance.~~

~~The call for greater agility is not a trend per se. It relates more to how we work. It is therefore addressed under Strategic Objective 1 below.~~

~~4. Respondents across stakeholder groups also shared views on how the SSBs should work:~~

~~[3] The following terms are defined in the Code as follows:~~

- ~~**Professional accountant (PA)**: "An individual who is a member of an IFAC member body. *In Part 1, the term "professional accountant" refers to individual professional accountants in business and to professional accountants in public practice and their firms. In Part 2, the term "professional accountant" refers to professional accountants in business. In Parts 3, 4A and 4B, the term "professional accountant" refers to professional accountants in public practice and their firms*"~~
- ~~**Professional accountant in business (PAIB)**: "A professional accountant working in areas such as commerce, industry, service, the public sector, education, the not-for-profit sector, or in regulatory or professional bodies, who might be an employee, contractor, partner, director (executive or non-executive), owner-manager or volunteer."~~
- ~~**Professional accountant in public practice (PAPP)**: "A professional accountant, irrespective of functional classification (for example, audit, tax or consulting) in a firm that provides professional services. *The term "professional accountant in public practice" is also used to refer to a firm of professional accountants in public practice*."~~

- **Stability and implementation.** Allow a period of stability given the pace of recent standard setting, and prioritize adoption, implementation support and post-implementation reviews. This is at the core of Strategic Objective 2, and our proposed work plan focuses on completing existing work, post-implementation reviews and implementation support.
- **Principles-based, proportionate standards.** Keep standards principles-based, proportionate and scalable, and avoid unnecessary complexity. Strategic Objective 2 responds through a focus on simplification and proportionality, particularly for small and medium practices (SMPs) and practitioners in emerging markets.
- **Agility.** Maintain agility through horizon scanning, evidence-based prioritization and timely responses, particularly in light of emerging technologies, without sacrificing due process or transparency. Strategic Objective 1 proposes a framework for timely responses, with horizon scanning as a standing activity under the work plan. However, as agility also relates to the rapid and disruptive changes in our environment, it is also relevant to all the other strategic objectives and related strategic actions.
- **Broader engagement and transparency.** Engage with a broader range of stakeholders and be more transparent about how their input shapes the SSBs' decisions. Strategic Objective 1 includes a focus on broadening our engagement, including with investors and other users, and showing how input from our broad community of stakeholders shapes our decisions.
- **Effective standard setting.** Assess the effectiveness of the standard-setting process and the evidence on which it is based. We respond through evidence-based prioritization and post-implementation reviews (Strategic Objectives 1 and 2). Matters of due process and governance are being addressed through the Public Interest Oversight Board's (PIOB) review of the SSBs' due process and the broader reforms of the standard-setting system led by the Monitoring Group.

5. Many respondents, including the Monitoring Group respondents, also called for earlier and deeper coordination between the IESBA and the IAASB, especially in addressing topics such as technology, sustainability assurance, firm culture and governance, and alternative ownership structures in firms. They saw the main value of such coordination in implementation support and maintaining the interoperability of the two Boards' standards, and not necessarily in new joint standard-setting projects. Suggestions included coordinated post-implementation reviews, particularly on the definition of a public interest entity (PIE), the IESSA[4] and ISSA 5000,[5] and standards addressing using the work of an external expert and NOCLAR[®6] /ISA 250 (Revised).[7] The topic of coordination with the IAASB is addressed across all four strategic objectives, with a special emphasis in Strategic Objective 1.

6.4. The table below summarizes key feedback from respondents on the SSBs' strategic positioning and how our proposed strategy responds to the feedback.

[4] International Ethics Standards for Sustainability Assurance (including International Independence Standards)

[5] International Standard on Sustainability Assurance (ISSA) 5000, *General Requirements for Sustainability Assurance*

[6] Non-Compliance with Laws and Regulations

[7] ISA 250 (Revised), *Consideration of Laws and Regulations in an Audit of Financial Statements*

Area	What we heard	How our proposed strategy responds
Period of stability and implementation	Allow a period of stability, given the pace of recent standard setting, and prioritize adoption, implementation support and PIRs.	Strategic Objective 2 treats adoption and implementation support as a strategic priority. Our proposed work plan focuses on completing existing work, PIRs and implementation support. Any new standard-setting project will be subject to an evidential basis being established, having regard to the public interest and the need to allow sufficient time for the market to adopt and implement recent standards.
Principles-based, proportionate standards	Keep standards principles-based, proportionate and scalable, and avoid unnecessary complexity.	This reinforces the principles-based and proportionate approach the IESBA takes to standard-setting. Strategic Objective 2 focuses on implementation support to facilitate use of the Code and enhance understanding of its proportionality, particularly for SMPs and practitioners in emerging markets.
Agility	Maintain agility through horizon scanning, evidence-based prioritization and timely responses, particularly in light of emerging technologies, without sacrificing due process or transparency.	Strategic Objective 1 proposes a framework for timely responses, with horizon scanning as a standing activity under the work plan. As agility also relates to the rapid changes in our environment, it is relevant to all the strategic objectives.
Broader engagement and transparency	Engage with a broader range of stakeholders and be more transparent about how their input shapes the SSBs' decisions.	Strategic Objective 1 includes broadening our engagement, including with investors and other users, and showing how stakeholder input shapes our decisions.
Effective standard setting	Assess the effectiveness of the standard-setting process and the evidence on which it is based.	We respond through evidence-based prioritization (Strategic Objective 1). Matters of due process and governance are being addressed respectively through the PIOB's review of the SSBs' due process and the broader reforms of the standard-setting system led by the Monitoring Group.

Area	What we heard	How our proposed strategy responds
Coordination with the IAASB	Coordinate with the IAASB from the early stages of work and more deeply, especially on technology, sustainability assurance, firm culture and governance, alternative ownership structures in firms, and implementation support.	Coordination with the IAASB is addressed across all four strategic objectives, with particular emphasis in Strategic Objective 1. Table 2 (proposed work plan) shows the work we expect to undertake in coordination with the IAASB.

~~7.~~5. This feedback has helped shape our proposed strategy and work plan. It ~~is leading~~ leads us to be more deliberate about balancing the need for a period of stability against the public interest imperative of responding to emerging issues or developments, with a stronger focus on implementation support and understanding how the Code is working in practice. The feedback also reinforces our commitment to principles-based, proportionate and scalable standards, close coordination with the IAASB, and increased agility to respond ~~when~~ to new issues or developments~~emerge~~.

Main Environmental Trends and Related Strategic Insights

6. The main environmental trends and related strategic insights set out below were informed by our research and monitoring of external developments, matters arising from current IESBA workstreams, outreach to stakeholders, internal surveys of Board members and staff regarding trends, risks and opportunities, and the Board's strategic reflections.

~~8.~~7. ~~The four main environmental trends summarized in Section II are described below.~~ For each trend, we set out the key developments and supporting evidence, including, where relevant, views from respondents to the joint survey~~,~~ ~~followed by~~ Within the discussion of each trend, we set out the strategic insights for our work and the strategic objectives that mainly address the trend.

Trend 1: Interconnected Markets, Fragmenting Rules

~~9.~~8. Markets are globally interconnected, with ~~C~~capital~~, companies and accounting firms increasingly operate~~ flowing across borders.~~,~~ ~~y~~Yet, ~~the rules that govern them are diverging. G~~geopolitical and regulatory fragmentation is challenging global convergence and increasing the complexity of the international standard-setting environment. The world has moved from an era defined by cooperation toward what has now been described by the World Economic Forum in its Global Risks Report 2026 as an "age of competition." In this transition, multipolarity and geoeconomic confrontation are displacing collaborative approaches to shared challenges. Diverging regulatory priorities and policies and growing jurisdictional variations are challenging the ability of international standards to serve as common global benchmarks. Such global baselines are important not only to regulators and ~~jurisdictional standard setters~~ JSS but also, and mostly, to investors and other users operating across markets.

~~10.~~9. The absence of these global baselines or their declining appeal and authority may pose a material risk to comparability, trust and confidence in financial and non-financial reporting. Respondents to the joint survey shared this concern, ranking the risk of fragmentation as one of the most important trends for the SSBs. One Monitoring Group respondent described fragmentation as a strategic risk that undermines comparability and raises the cost of capital, ultimately affecting investors and capital markets.

~~11.~~10. Different regulatory directions~~-~~ are especially visible in sustainability reporting, where a three-speed split has emerged: some jurisdictions have finalized standards aligned with those issued by the International Sustainability Standards Board (ISSB) and are progressing toward adopting and implementing the IAASB's and IESBA's sustainability-related standards;[8] others have scaled back earlier sustainability reporting ambitions, including by narrowing scope, delaying implementation, or pausing planned requirements;[9] and yet others have retreated from certain Environmental, Social and Governance (ESG) disclosure requirements altogether.[10]

Table 1: Adoption of the IESBA's ~~Sustainability-Related Ethics Standards (~~IESSA~~)~~ by Jurisdiction as of September 2026

Adoption status	Jurisdictions
Adopted 15~~4~~ jurisdictions	Australia · Bulgaria · Ghana · Hong Kong SAR · India · Japan · Malaysia · New Zealand · Pakistan · Saudi Arabia · ~~·~~ Singapore · ~~—~~South Africa · United Kingdom · Zambia · Zimbabwe
Adoption in progress ~~7~~8 jurisdictions	Brazil · China · Kenya · Netherlands · Nigeria~~ · Singapore ~~· Sri Lanka · Sweden
Adoption under consideration 18 jurisdictions	Botswana · Costa Rica · Croatia · Egypt · Ethiopia · Finland · Germany · Indonesia · Italy · Lesotho · Mexico · Myanmar · Nepal · Norway · Qatar · South Korea · Uganda · United States

Source: IESBA, Global Ethics Sustainability Standards focus area (updated September 2026), www.ethicsboard.org/focus-areas/global-ethics-sustainability-standards

~~12.~~11. Increasing fragmentation of regulatory frameworks and professional requirements across jurisdictions and professional services or activities creates challenges for the consistent application of ethic~~al~~ standards, especially with respect to ~~professional accountants in business (~~PAIBs~~)~~ and professional accountants in public practice (PAPPs) other than auditors. Unlike auditors, whose activities are generally subject to greater regulatory oversight and more consistent approaches to such oversight, these other professionals operate in diverse and often less regulated environments, particularly in areas such as tax, forensic accounting, insolvency and consulting. At the same time, firms are increasingly hiring non-PAs with the necessary skills to address opportunities and risks in areas such as AI, sustainability reporting and cyber-security, heightening the need to consider the

~~[8] As of the date of this draft CP, they are: Australia, Bulgaria, Ghana, Hong Kong SAR, India, Japan, Malaysia, New Zealand, Pakistan, Saudi Arabia, Singapore, South Africa, UK, Zambia and Zimbabwe.~~

[9] For example, the European Union (EU) has narrowed the scope of the Corporate Sustainability Reporting Directive; Brazil has made ISSB-aligned reporting voluntary on a comply-or-explain basis; Singapore has deferred, or made voluntary, several climate reporting requirements for listed companies outside the Straits Times Index; and Switzerland has also proposed narrowing the scope of its sustainability reporting requirements.

[10] For example, the United States Securities and Exchange Commission (SEC) has rescinded its proposed climate-related disclosure rules, and the Canadian Securities Administrators have paused work on a mandatory climate-related disclosure rule.

specificities of this population in the IESBA's remit and provide an enhanced level of support with respect to the application of the Code.

~~13.~~12. These developments underline the even greater importance of maintaining a common global ethics baseline. As jurisdictional and regulatory frameworks diverge, investors and other users need to rely more on robust international standards to underpin the reliability and comparability of financial and non-financial information across borders. By providing a consistent, principles-based global benchmark for ethical conduct across different markets and regulatory environments, the Code helps to reduce fragmentation, promote greater convergence in ethical expectations and reinforce public trust in the global accountancy profession.

~~14.~~13. These developments also call for a Code that remains principles-based, proportionate and widely adopted and for the IESBA to work more closely with regulators, policymakers and other standard setters as their local approaches diverge. The developments are addressed mainly in Strategic Objectives 1 and 2.

Trend 2: Erosion of Institutional Trust and a New Architecture of Accountability

~~15.~~14. A shift has been taking place across the global financial sector in how regulators and policymakers[11] seek to restore and sustain trust in institutions. Growing concerns about institutional integrity, governance failures and systemic risks are driving greater regulatory attention toward the organizational systems, conditions and environment that shape professional behavior and decision-making. While individual conduct and accountability remain fundamental, there is increasing recognition that they are insufficient to prevent misconduct and safeguard the public interest.

~~16.~~15. Regulatory approaches are therefore placing greater emphasis on preventive, institution-wide mechanisms, including effective governance and oversight, clear allocation of responsibilities, organizational culture, independent control functions, and remuneration and incentive structures that prevent wrongdoing structurally and promote ethical behavior. This evolution reflects a broader understanding that institutional trust depends not only on the conduct of individuals but also on the effectiveness of the systems, structures and cultures within which they operate.

~~17.~~16. Trend 2 reflects this shift in the external environment that speaks to an erosion of institutional trust and broader developments relating to what one might characterize as the architecture of accountability:

- *Declining Trust in Institutions*
    - Trust in institutions – public and private, political and professional – is under sustained pressure globally. Misinformation, inequality and societal polarization now appear together across every time horizon in leading global risk assessments, suggesting a persistent condition rather than isolated events.[12] Perceived conflicts of interest within organizations continue to challenge public confidence. Specifically in relation to accounting firms, ~~a number of~~ high-profile cases of unethical behavior have emerged in

[11] See, for example, Basel Committee – Corporate Governance Principles for Banks (2015) and Principles for Operational Resilience (2021); European Commission – CRD VI, Directive (EU) 2024/1619 and Digital Operational Resilience Act (DORA) Regulation (EU) 2022/2554; European Insurance and Occupational Pension Authority (EIOPA) – Solvency II Article 45; IOSCO – Objectives and Principles of Securities Regulation; ESMA – Final Report on Guidelines on MiFID II product governance requirements.

[12] See, for example, World Economic Forum, Global Risks Report 2026; Edelman, 2026 Edelman Trust Barometer.

recent years, which may have ~~with significant~~ adversely impacted~~s on~~ public perceptions of, and trust in, firms and the profession.

- Economic fragility adds to this pressure. High public debt and asset valuations that rest partly on uncertain expectations of AI-driven growth increase the risk of a sharp market correction.[13] Periods of economic stress and uncertainty increase the pressures that can lead to misconduct~~,~~ and tend to expose ethical failures that were seeded in better times, further damaging institutional trust.[14]

- *Financial Crimes Enabled by Technology*
  - Institutional trust is also negatively impacted by instances of high-profile financial crime, and increasingly so as financial crime is rapidly being enabled by AI and emerging technologies. Fraud, money laundering, tax evasion, corruption and other financial crimes continue to stimulate global public policy debates about the role the accountancy profession (as well as other professions such as the legal profession) can play as part of the solution, as trusted defenders of integrity, transparency and accountability.[15]
  - Respondents to the joint survey also ranked technology-enabled financial crime among the most important trends, and many expected its importance to grow as AI and emerging technologies enable more sophisticated forms of fraud and misconduct.
- *Alternative Ownership Structures and Evolving Business Models*
  - Trust in accounting firms also rests on public confidence that their work is trustworthy and that they act in the public interest. That confidence is being tested as firms increasingly change how they are owned, structured and run. Private equity and other external investments bring access to capital, technology and innovation, but may also alter incentives and governance arrangements. ~~This raise q~~Questions have therefore been raised by regulators, standard setters and others as to ~~about~~ the extent to which external investors may exert influence over ~~a~~ firms's decisions~~makes it less clear who ultimately controls a firm's decisions and answers for them~~. As a result, accountability is shifting toward the firm as a whole.
  - At the same time, the rapid acceleration of firms' intake of capital from external investors in a growing number of jurisdictions ~~around the world~~ heightens the need for strong governance. Strengthened governance helps to mitigate risks to ethical conduct, independence and quality from ownership changes and allows firms to focus on maintaining a strong ethical culture despite potential changes in decision-making power.
  - Respondents to the joint survey ranked alternative ownership structures in firms among the most important trends. ~~and~~ They broadly recognized that evolving firm structures and

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[13] Financial Stability Board, Promoting Global Financial Stability: 2025 FSB Annual Report (March 2026); World Economic Forum, Global Risks Report 2026; International Monetary Fund, Fiscal Monitor (April 2026).

[14] See, for example, Z. Ning and X. Qi, "Is economic policy uncertainty an excuse for corporate fraud?", Economic Research–Ekonomska Istraživanja 36(2) (2023); Association of Certified Fraud Examiners, Occupational Fraud 2024: A Report to the Nations; R. Povel, R. Singh and A. Winton, "Booms, Busts, and Fraud", Review of Financial Studies 20(4) (2007).

[15] See, for example, UNODC, Professional Service Providers; UNODC, Transparency International et al., The Sevilla Initiative for Accountable Service Providers (2026); OECD, Ending the Shell Game: Cracking Down on the Professionals Who Enable Tax and White Collar Crimes (2021); FATF, Horizontal Review of Gatekeepers' Technical Compliance Related to Corruption (July 2024).

business models could affect independence, firm culture and *governance, and audit quality.*

- *Regulatory Shift from Individual-level to Firm-Level Accountability*
  - In line with what is happening in the wider financial sector, regulators are responding with a discernible shift from individual-level to firm-level accountability. In audit oversight, for example, regulatory reform discussions in some major jurisdictions[16] increasingly expect oversight to focus on the effectiveness of a firm's system of quality management, not only on engagement-level outcomes.
  - Regulators are also examining firms' alternative ownership structures and starting to take action,[17] reflecting growing recognition of the importance of ethical culture and governance at the firm level in preventing unethical behavior.

~~18.~~17. These developments call for stronger ethical foundations in firms~~,~~ as regulators place more emphasis on firm-level accountability~~accountability increasingly shifts toward the firm as a whole~~ and changes in ownership and business models test how well the Code applies. They also create an opportunity for the profession to ~~rebuild and~~ strengthen and uphold trust in firms and in institutions, including by playing a more visible part in helping to combat financial crime. The developments under this trend are addressed mainly in Strategic Objectives 3 and 4.

Trend 3: AI, Sustainability and Other New Frontiers

~~19.~~18. Three developments continue to push the boundaries within which PAs apply the Code. These are as follows:

- *AI and Emerging Technologies*
  - The rapid advancement of AI and emerging technologies is fundamentally transforming the environment in which PAs operate. AI-powered tools are increasingly embedded in

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[16] In the UK, the Financial Reporting Council (FRC) introduced a revised supervisory approach in 2026 that places firms' systems of quality management at the center of audit supervision. Similarly, in the United States, the Public Company Accounting Oversight Board's (PCAOB) new quality control standard, QC 1000, strengthens requirements relating to firm governance, leadership accountability and the proactive identification and management of quality risks. Internationally, audit regulators have also expanded their inspection activities to assess firms' systems of quality management, reflecting a broader emphasis on firm-wide mechanisms for sustaining audit quality. ~~Internationally, the International Forum of Independent Audit Regulators (~~The IFIAR~~)~~ notes in its *2025 Survey of Inspection Findings* (April 2026) that "quality management systems are a primary focus of many inspection programs" and that, "since the transition to ISQM 1, many Members have increased their inspection procedures around the member firms' systems of quality management." In 2025, 44 IFIAR members reported on inspections of 161 firms' systems of quality management.

[17] See. ~~F~~for example:

- Association of International Certified Professional Accountants (AICPA&CIMA) Exposure Draft, Alternative Practice Structures: Proposed Revisions to the AICPA Code, issued in December 2025
- Dutch Authority for the Financial Markets (AFM) ~~–~~ Interpretation of the Dutch Audit Firms Supervision Act (Wta) to clarify how ownership and governance requirements apply where audit firms attract external investment (June 2026)
- Singapore's Accounting and Corporate Regulatory Authority (ACRA) ~~–~~ Practice Direction No.1 of 2026 on External Private Capital Arrangements in Accounting Entities~~-~~, setting out expectations for accounting entities considering or operating under external private capital arrangements (April 2026)
- UK FRC – Updates to Public Interest Entity (PIE) Auditor Registration Regulations strengthening its oversight of audit firm restructuring (April 2026)

financial reporting, audit and assurance, tax, advisory and other professional activities or services, reshaping how information is generated, analyzed and evaluated, and how professional judgment is exercised.

- Respondents to the joint survey across stakeholder groups agreed that the increasing use of AI and emerging technologies is a growing strategic priority. They emphasized that standards should remain principles-based and future-proof as technology evolves.
- While these technological developments offer significant opportunities to enhance efficiency, accuracy and the quality of professional activities or services, they also introduce new ethical challenges relating to professional competence and due care, objectivity, confidentiality, transparency, accountability and the appropriate exercise of professional judgment. The growing reliance on AI-generated outputs, including those produced by complex or opaque models, raises questions about the extent to which PAs can understand, critically evaluate and take responsibility for the information ~~and conclusions~~ on which they rely ~~on or~~ and the conclusions or advice they deliver to clients.
- AI is also making financial crime more sophisticated and harder to prevent, detect and address (see Trend 2)~~These challenges are further compounded by the increasing sophistication of technology-enabled financial crime, including AI-assisted fraud, identity manipulation and the creation of misleading or fabricated financial information~~.
- Technological transformation is also reshaping the business models, commercial relationships and competitive dynamics of firms. Increasing automation and AI-enabled service delivery are contributing to fee compression, alternative pricing arrangements and greater emphasis on outcome-based services, potentially introducing new commercial pressures that could affect professional judgment and objectivity. At the same time, firms are ~~developing increasingly complex~~ building business relationships with AI developers and other technology providers through strategic alliances, joint investments, licensing arrangements and integrated service offerings. While such relationships are not new, the speed, depth and complexity of integration in some of these arrangements, and their potential to transform rather than simply evolve how firms operate, may raise new ethics and independence considerations, including matters relating to financial, operational and technological dependencies and potential conflicts of interest. How these developments may affect firms' business models, the delivery of professional services and the application of the Code's requirements therefore warrant further consideration~~These relationships may create new forms of financial, operational and technological dependency, as well as potential conflicts of interest and independence threats that may not always be readily identifiable~~.
- The growing use of multidisciplinary teams, including technology specialists and other non-accounting professionals, also raises questions about the consistency ~~and application~~ of ethical expectations across increasingly diverse service delivery structures.

- *Digital Assets*
  - ~~The expanding use of digital assets and related emerging technologies is creating additional complexities for PAs and testing the application of the Code in new circumstances. Cryptocurrencies, tokenized assets, blockchain-based transactions and~~

~~decentralized financial arrangements present challenges relating to transparency, valuation, ownership, accountability and the identification of potentially illicit activities~~The growing use of digital assets and related technologies, including cryptocurrencies, tokenized assets, blockchain-based transactions and decentralized financial arrangements, is creating new complexities for PAs. These arrangements raise potential questions or challenges around transparency, valuation, ownership, accountability and the identification of potentially illicit activities, and they test how the Code applies in new circumstances.

- Digital finance is also moving into the regulated mainstream, led by fiat-referenced stablecoins and tokenized assets. Regulators are building separate frameworks: the US Federal Reserve has proposed rules under the GENIUS Act, Hong Kong has licensed its first issuers and Singapore is updating its payments law. The FSB[18] and IMF[19] have flagged cross-border vulnerabilities and gaps in monitoring data.
- As these markets grow, so does the demand for professional assurance over them. Issuers increasingly rely on "audits,"~~,~~ "attestations" and "reserve examinations" to show that their reserves, redemption rights and custody arrangements can be trusted. As a result, PAs are being drawn into a market that is new and complex, changes quickly and is regulated differently in ~~each~~ different jurisdictions.
  - ~~*Similarly, the emergence of AI systems themselves as subjects of independent assurance, rather than merely tools used in professional activities or services, is expanding the range of matters on which practitioners may be expected to provide assurance.*~~
  - ~~*These developments raise new questions about the professional judgment that underlies audit evidence – for example, how auditors should evaluate outputs from AI models that may be inaccurate or embed bias, or may be difficult to explain. They also create new circumstances in which PAs may encounter suspected non-compliance with laws and regulations (NOCLAR), including technology-enabled fraud, money laundering, misuse of digital assets and other forms of financial misconduct, potentially challenging the practical application of existing ethical requirements.*~~

- *Expectations Concerning Sustainability Information*
  - The growing demand for credible sustainability information is broadening the scope and complexity of PAs' responsibilities. While sustainability-related regulatory developments are progressing at different speeds across jurisdictions, market demand for reliable sustainability information and independent assurance continues to evolve, including in Asia, Africa and Latin America. Divergent regulatory approaches, differences in reporting and assurance requirements, and varying levels of market maturity are contributing to an increasingly fragmented global environment.
  - Beyond sustainability, stakeholders are placing greater emphasis on the credibility of information concerning governance, cybersecurity, AI systems, digital resilience and

[18] "Global Stablecoin Arrangements: Cross-border vulnerabilities and financial stability monitoring"~~, published on 12~~ (October 2026)

[19] Global Financial Stability Report~~, published in~~ (October 2026)~~.~~

other emerging areas of corporate reporting. Respondents to the joint survey across stakeholder groups saw these developments as highlighting the role of the SSBs in supporting consistent, principles-based, proportionate and scalable sustainability assurance, ethics and independence standards that are globally operable.

~~20.~~19. These developments ~~in AI, Sustainability and Other New Frontiers~~ call for close monitoring of the ethical implications of AI-related transformations to professional activities and services, how firms' rapidly evolving relationships with AI and other technology providers may affect ethical and independence guardrails, and how digital assets and sustainability information test the Code's principles. They are addressed mainly in Strategic Objectives 3 and 4.

Trend 4: Evolving Ethical Expectations Beyond Audit: PAIBs and Multidisciplinary Professionals

~~21.~~20. There are two main dimensions to this trend:

- *Non-Auditor PAs*
    - Jurisdictional data suggest that PAs working in audit represent a minority of the profession~~, with auditors typically comprising 15–25% of professional body membership across jurisdictions~~.[20] Yet the Code and the public conversation about ethics remain disproportionately focused on external audit and assurance.
    - PAIBs, who are within the scope of the IESBA's standard-setting mandate, work inside companies, governments and other organizations in a variety of roles such as CFOs, controllers, tax accountants and investigators, often serving as the first line of defense against misleading reporting, fraud and greenwashing. They face distinct ethical pressures – employer loyalty, aggressive business or financial targets, and NOCLAR exposure – that differ materially from, and are no less significant to the public interest than, threats to auditor independence. In addition, PAIBs are becoming increasingly central to organizations' sustainability journeys and technology-related transformations, not just in their role facilitating external assurance.
    - Furthermore, despite their "first line of defense" role, PAIBs are a much less regulated segment of the profession. In most jurisdictions, they are not even subject to specific regulations or oversight. This reality makes the IESBA's role even more relevant in supporting these professionals in fulfilling their ethical responsibilities, underpinning integrity at the first level of the whole corporate reporting supply chain.

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[20] No global statistics exist on the number of PAIBs and non-audit PAs ~~professional accountants~~. However, the following are a number of illustrative national figures:

- **Canada** – 19% of CPA Canada members report public practice as their industry (https://www.cpaalberta.ca/-/media/Files/Members/Advisories/25-2554-cpa-compensation-study-2025-national.pdf?la=en&hash=02432CD30E8FD677E4F43C00E48436143D223806)
- **Germany** – ~~a~~Auditors represent ~14% of the combined auditor/tax advisor population (https://www.bstbk.de/downloads/bstbk/ebooks/Berufsstatistik-2025.pdf; https://www.wpk.de/fileadmin/documents/Ueber_uns/Organisation/WPK-Statistiken_Juli_2025.pdf);
- **India** – 38% of ICAI members are in practice (https://taxconcept.net/icai/statistics-of-icai-members-students-firms-till-28th-february-2025/). The "In practice" figure includes non-audit services (tax, advisory) and is therefore an upper-bound proxy for auditors specifically.

- *Professionals in Firms Who are Not PAs*
    - Within firms, multidisciplinary and advisory services are growing faster than audit and assurance practices, and firms increasingly recruit professionals from outside accountancy. Growing scrutiny of tax structuring, valuation (especially in private credit markets) and advisory work shows that risks to the profession's reputation are not confined to the audit relationship. Professionals from disciplines such as technology, data science, law and sustainability can enhance the quality of services, but their involvement also raises questions about their knowledge and recognition of the importance of the ethic~~sal~~ standards.

~~22.~~21. Further, the impact of the rapid growth in AI and emerging technologies, the growing sophistication of technology-enabled financial crimes, and the increasing complexity and pace of regulatory change does not stop with the audit profession. PAIBs, other PAPPs and non-PA professionals in firms face comparable pressures in their own work.

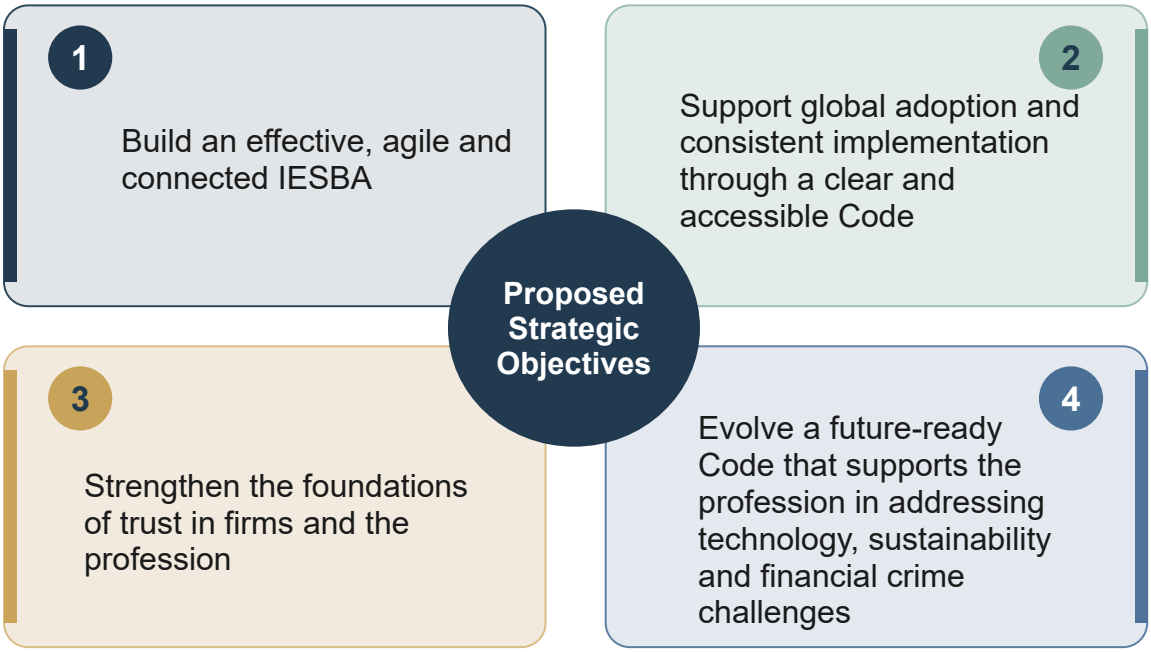
~~23.~~22. These developments call for a Code that speaks directly to the ethical realities of the whole profession, including the distinct pressures faced by PAIBs and PAPPs who are not auditors. They also create an opportunity to strengthen the first line of defense that PAIBs provide against misconduct within organizations. They are addressed mainly in Strategic Objectives 2, 3 and 4.

PROPOSED STRATEGIC OBJECTIVES AND ACTIONS

~~24.~~23. Our proposed strategic objectives respond to ~~what we heard from stakeholders~~ stakeholder feedback to the joint survey and to the main environmental trends and related strategic insights described in the previous section. ~~They set out the implications for the IESBA and where we intend to focus our efforts over 2028–2031. Each proposed objective begins by explaining which trends and stakeholder feedback it responds to and why. The importance of coordination with the IAASB runs through all four strategic objectives.~~

~~25.~~24. These proposed strategic objectives will guide how we select and prioritize our standard-setting and ~~related~~ other activities over 2028–2031. Each strategic objective is supported by strategic actions, ~~set out in the next section,~~ which describe what we will do to achieve it.

~~26.~~25. The diagram below ~~contains~~ highlights the four proposed strategic objectives for the 2028-2031 strategic period:



~~27.~~26. Within each strategic objective, we have ~~The following~~ sets out our proposed strategic actions ~~in pursuit of the four strategic objectives described above~~. The specific initiatives or activities we commit to under these proposed strategic actions will be based on our assessment of their relative level of prioritization, taking into account the nature of the initiatives or activities, our Board and Staff resources, and our operating budget.

~~**Proposed Strategic Objective 1: An Effective, Agile and Connected IESBA**~~

SO 1

PROPOSED STRATEGIC OBJECTIVE 1

Build an Effective, Agile and Connected IESBA

A. ~~Increased~~ Enhance Effectiveness, Agility, Connectivity and Institutional Identity

27. ~~This strategic objective responds to all four main environmental trends. It also responds to the input from the joint survey, including from the Monitoring Group respondents, to be more agile, further explore collaboration opportunities and prioritize outreach and adoption and implementation support over standard setting.~~ The IESBA's institutional effectiveness, including its due process and approach to prioritization and resource allocation, is essential to delivering on all four strategic objectives. ~~In terms of institutional effectiveness, t~~This ~~objective~~ involves a due process and working processes that prioritize agility, timeliness and responsiveness. These incorporate clear criteria for when an issue calls for non-authoritative guidance, a rapid response or ~~full~~ standard setting; systematic horizon scanning and evidence-based prioritization as standing functions; and investment in staff capabilities, including in AI and emerging technologies, that will allow us, together with the IAASB, to

~~fully~~ build a strong and reliable staff-driven working model pursuant to the Monitoring Group recommendations.[21] Greater agility must not, however, come at the cost of due-process rigor, transparency or the quality of consultation.

28. At the same time, the IESBA's global influence depends not only on the quality of the Code but also on the strength and breadth of its relationships with those whose decisions determine whether and how the Code is adopted and used, and on how well its work is communicated and understood. ~~The same trends bear on the IESBA itself. Geopolitical polarization, competitiveness concerns and declining institutional trust (see Trends 1 and 2) are increasing scrutiny of the independence and public interest relevance of international standard setters. Trust in the Code depends on trust in the standard setter.~~ This objective therefore involves asserting a clearer and stronger institutional identity;~~,~~ broadening engagement ~~engaging visibly~~ beyond our traditional stakeholders, including with investors and other users of financial and non-financial information and professional services; showing how stakeholders' input is considered and shapes our decisions;~~and~~ communicating confidently the public-interest value of ~~the IESBA's~~our work; and continuing to professionalize our communications function. ~~Reinforcing our institutional identity is neither a self-serving objective nor an end in itself, as our legitimacy as a standard setter depends on how well we serve the public interest. Therefore, this objective aims at elevating our ability in making a positive difference to how ethics for the global accountancy profession is perceived, respected and taken as a critical element of trust and confidence in the profession.~~

~~In terms of institutional effectiveness, this objective involves a due process and working processes that prioritize agility, timeliness and responsiveness. These incorporate clear criteria for when an issue calls for non-authoritative guidance, a rapid response or full standard setting; horizon scanning and evidence-based prioritization as standing functions; and investment in staff capabilities, including in AI and emerging technologies, that will allow us, together with the IAASB, to fully build a strong and reliable staff-driven working model pursuant to the Monitoring Group recommendations.[22] Greater agility must not, however, come at the cost of due process rigor, transparency or the quality of consultation.~~

~~This strategic objective also involves broadening engagement beyond the IESBA's traditional stakeholders and showing how their input shapes its decisions. The Code delivers public value only if it is known, understood and used. Global reach is therefore a precondition for adoption. This includes raising awareness of why ethics and independence underpin trustworthy business and reliable reporting. It also requires continuing to improve and professionalize our communications function, making it an effective and credible driver of how well we are understood and recognized and of our positive influence in the profession, in business and in markets more broadly.~~**Proposed Strategic Actions**

We will:

- **Develop a framework for timely responses to ~~new or~~ emerging issues or developments.** We will set clear criteria ~~and develop mechanisms~~ for deciding when an emerging issue or development calls for non-authoritative guidance, a narrow-scope amendment or full standard setting, or another response, so that we can act in a timely manner without compromising rigor or due process. We will develop the framework ~~jointly~~ in coordination with the IAASB. ~~When~~

[21] Monitoring Group's Recommendations to Strengthen the International Audit and Ethics Standard-Setting System

[22] ~~Monitoring Group's Recommendations to Strengthen the International Audit and Ethics Standard-Setting System~~

~~action includes non-authoritative material or other guidance, we will take a considered approach to ensure we are achieving the desired impact.~~

- **Enhance our capacity and capability to deliver the strategy.** Together with the IAASB, we will develop and implement an organizational strategy for AI engagement and deployment. This will include consideration of opportunities holistically within the standard-setting ecosystem, and internal opportunities to collect information, analyze themes, manage workflows, develop materials and produce outputs. We will cross-pollinate leading practices between the IESBA and IAASB, including consideration of practices implemented by other standard setters and, as appropriate, adopt or adapt them to optimize the IESBA's practices.

  We will also look at more flexible ways of resourcing our work, ~~internally where there is opportunity for capacity expansion~~ such as sharing expertise and resources with the IAASB, using AI tools to enhance productivity, and ~~externally through~~ making greater use of staff secondments, consultants and volunteers beyond the Board. This will be done together with reviewing processes supporting standard-setting, including systems and processes supporting research, stakeholder engagement and feedback analysis and incorporation, and content development workflow.

- **Broaden our engagement beyond traditional stakeholders.** We will expand our partnerships and build or strengthen relationships with stakeholders whose decisions affect whether the Code is adopted, used or relied upon, including investors and other users and those outside our traditional constituencies.

- **Reinforce our identity as an independent, global standard setter.** Through communications or other initiatives, we will socialize our vision further, reinforce the important and unique role we play as an independent, global standard setter in serving the public interest and the role of our standards in promoting public trust in the profession and in financial and non-financial reporting.

- **Communicate in ways that promote ethics effectively, make the Code accessible and its public interest purpose clear.** We will pursue and resource a dedicated communications strategy, with defined reach across regions and audiences, and support major Code revisions with plain-language and user-friendly materials.

B. ~~Increased~~ Enhance Coordination and Collaboration with the IAASB and Other Standard Setters

29. This objective additionally involves deepening collaboration with the IAASB, as many of the issues the two Boards address have both ethical and audit or assurance dimensions. Building on recent collaborative efforts, the two Boards will coordinate from the earliest stages of their work, from strategic planning and project scoping through to PIRs ~~post-implementation reviews~~. The ~~form of collaboration will vary by topic, but the~~ aim is to support the interoperability of their standards, aligned timelines, and a more impactful stakeholder experience. The Boards will also explore sharing expertise and resources, including on technology and implementation support, and common approaches to timely responses, while respecting each ~~Board's~~ other's remit. The same aim of interoperability guides our work with other international standard setters, such as the International

Accounting Standards Board (IASB)[23] and the International Sustainability Standards Board (ISSB),[24] and with regulators.

Proposed Strategic Actions

We will:

- **Coordinate with the IAASB from the earliest stages on interconnected issues, and work with other standard setters to promote interoperability.** We will coordinate early on work plan priorities~~, reflecting our commitment to coordinate with the IAASB at the earliest stages of project or workstream planning and prioritization,~~ and agree case by case whether joint or coordinated work is needed, including on public consultations. We will seek opportunities with the IAASB to share knowledge, technical expertise and, where appropriate, resources, including through joint expert and advisory groups.
- **We will ~~also~~ continue to engage jointly with stakeholders at a strategic level**, where this serves our mutual objectives, and work with other standard setters, such as the IASB and the ISSB, to promote interoperability.

~~Proposed Strategic Objective 2: A Clearer, More Usable Code That Supportings Global Adoption and Consistent Implementation through a Clear and Accessible Code~~

SO 2

PROPOSED STRATEGIC OBJECTIVE 2

Support global adoption and consistent implementation through a clear and accessible Code

30. This strategic objective responds to ~~Trends 1, 2 and 4. It also responds to~~ a clear message from respondents ~~across stakeholder groups in~~ to the joint survey that we should prioritize adoption, implementation support and PIRs~~post-implementation reviews~~, and keep the Code principles-based and proportionate. ~~As regulatory approaches diverge across jurisdictions, the Code needs to remain a rigorous, principles-based global benchmark for all PAs. It should also be accessible and easy to use, so that it is adopted and implemented consistently~~~~A more fragmented and deregulating global environment demands a Code that is rigorous and coherent enough to serve as a global benchmark for all PAs, and accessible and usable so that adoption and implementation follow naturally from good design. The challenge is to keep the Code within the bounds of its principles-based design while reinforcing its function as a common global benchmark and a counterforce to regulatory fragmentation, including where regulatory simplification agendas are driven by competitiveness rather than public interest considerations.~~

31. Adoption and implementation support will therefore be a strategic priority under this objective. This involves collaborating with partners such as the International Federation of Accountants (IFAC) and jurisdictional standard setters (JSS) to diagnose why adoption lags, close feedback loops with

~~[23] International Accounting Standards Board~~

~~[24] International Sustainability Standards Board~~

jurisdictions early, and promote a consistent understanding of how the Code applies across jurisdictions.

31.32. ~~Simplification is a core focus of this objective. It responds to concerns raised by~~ Feedback from ~~T~~the joint survey ~~respondents raised~~ indicated concerns ~~to the joint survey~~ about the increasing length, prescriptiveness and complexity of the Code.~~.~~ ~~Stakeholders have~~and ~~suggested~~While there were suggestions that simplification should be a priority to improve adoption and usability.~~. At the same time, they~~~~They also have~~ there was also caution~~ed~~ that simplification should not diminish the Code's effectiveness or be a reactive response to regulatory or political cycles. ~~For this reason, simplification cannot be a retreat from rigor but a path to clarity, usability and, therefore, confidence. It will be~~ We will therefore pursue targeted simplification where it is driven by evidence of issues regarding usability, clarity, proportionality, and undue complexity~~implementation and enforceability. , not by another restructuring of the Code. This objective means reducing unnecessary complexity where warranted, removing any redundancy and clarifying key principles and guidance. It also means supporting usability in practice and actively promoting adoption and implementations~~This effort will be informed by PIRs, implementation monitoring and other stakeholder feedback ~~show~~. Simplification also means making the Code easier to access and use through tools such as the digital Code and implementation support materials.

32.33. ~~A~~Effective adoption and implementation of the ~~usable~~ Code must also ~~speak to~~take into account the whole accountancy profession. ~~Auditors typically represent only 15–25% of professional body membership across jurisdictions (see Trend 4), yet public discourse about the Code remains focused largely on audit. PAIBs and other PAPPs face distinct pressures, such as employer loyalty, aggressive targets and intimidation, and are often the first to detect misconduct within organizations.~~ Most PAs are not auditors (see Trend 4), yet discussion of the Code and ethical issues often focuses on audit and assurance. PAIBs face distinct ethical pressures, such as employer loyalty, aggressive business or financial targets and exposure to non-compliance with laws and regulations (NOCLAR®), which are no less significant to the quality of financial and sustainability information and the public interest than threats to auditor independence. PAPPs who are not auditors face comparable ethical pressures or dilemmas in tax, advisory, forensic and other services. Our implementation support will therefore also reach PAIBs and PAPPs other than auditors.

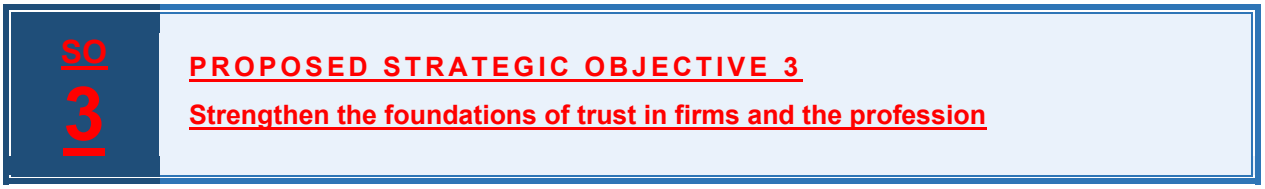
33.34. ~~*Proportionality is central.*~~ The Code also needs to be proportionate. Provisions need to be workable for small and medium practices (SMPs) and practitioners in emerging markets, not only for the largest global networks of firms. ~~Where the evidence supports it,~~ We will therefore continue embedding proportionality ~~should be embedded~~ in the Code where appropriate ~~itself rather than explained it only in~~and make it workable in practice through adoption and implementation support, including non-authoritative material (NAM).

~~Finally, under this objective, *adoption and implementation support* will be treated as a strategic priority, as stakeholders have urged, since headline adoption figures do not always mean consistent implementation. This involves collaborating with partners such as the International Federation of Accountants (IFAC) and jurisdictional standard setters (JSS) to diagnose why adoption lags, closing feedback loops with jurisdictions early, preventing local interpretations outside the Code's design, and defending the Code as a trusted global ethics benchmark.~~**Proposed Strategic Actions**

We will:

- **Focus adoption and implementation support where it is most needed.** We will collaborate with IFAC, JSS and other partners to better understand why adoption of the Code is delayed or partial in some jurisdictions. To the extent within our control, we will develop targeted initiatives to help advance adoption in identified jurisdictions. We will also collaborate with partners and stakeholders to identify and respond to implementation support needs, including among PAIBs and PAPPs other than auditors. This work will be led by our Adoption and Implementation (A&I) Working Group.
- **Undertake targeted simplifications of the Code where warranted**. Through ~~post-implementation reviews~~ PIRs, implementation monitoring and stakeholder feedback, we will identify provisions in the Code that are ~~unnecessarily~~ unduly complex or difficult to understand and implement. We will undertake targeted simplifications where justified by the findings while preserving the robustness of the Code's principles.
- ~~**Seek ways**~~ **Pursue opportunities to make the Code easier to access and use ~~apply~~**. In the context of simplification, ~~W~~we will seek to improve how the Code is accessed and used, drawing on initiatives already underway that will continue beyond the end of the current strategic cycle.
- **Reinforce the proportionality ~~in applying~~ of the Code.** We will develop implementation support materials that further explain the proportionality of the Code, particularly for SMPs and practitioners in emerging markets. On any future standard-setting projects, we will proactively and more visibly build proportionality into the blueprint ~~for~~ of the standards.
- ~~**Focus adoption and implementation support where it is most needed.** We will collaborate with IFAC, JSS and other partners to better understand why adoption of the Code is delayed or partial in some jurisdictions. To the extent within our control, we will develop targeted initiatives to help advance adoption in identified jurisdictions. We will also collaborate with partners and stakeholders to identify and respond to implementation support needs, including among PAIBs and PAPPs other than auditors.~~

~~**Proposed Strategic Objective 3: Strengthening the Foundations of Trust in Firms**~~



~~34.~~35. Financial regulators ~~-~~ are increasingly ~~performing~~placing ~~-~~ preventive regulation and supervision high on their agenda, focusing on the governance and resilience of financial institutions rather than ~~trying to address~~on individual decisions and operations. This aims at mitigating the inception and spreading of risks resulting from institutional and governance vulnerabilities and at addressing them when and where they can be prevented. Likewise, audit regulators are increasingly monitoring firms' systems of quality management and, in some cases, the firms' culture and governance, rather than just focusing on individual engagements and behavior.[25] This reflects a broader shift in oversight,

[25] For example, in his March 31, 2026 statement on the U.S. Public Company Accounting Oversight Board (PCAOB's) strategic priorities, PCAOB Chairman~~,~~ Demetrios Logothetis~~,~~ underlined an objective for the PCAOB's inspections to "better leverage

throughout the financial and business system, from detection to prevention. ~~Instead of trying to scrutinize individual professional accountants or engagements, which tends to address problems only after they have materialized, regulators are looking at systems and robust governance design and frameworks of quality management.~~

~~35.~~36. Changes in how firms are owned and run strengthen this shift. Private equity and other external investment (PE&OEI) is bringing innovation to firms' ownership, governance and businessgovernance.~~,~~ ~~.~~ ~~b~~But ~~i~~it can also ~~make it less clear who ultimately controls~~ raise questions about how much influence investors have over a firm's decisions ~~and answers for them~~, and therefore blur accountability. External investors' return on ~~i~~investment expectations may also create pressures on independence and public interest responsibilities. Respondents to the joint survey ranked alternative ownership structures as one of the most important trends with implications for our strategic agenda.

~~36.~~37. Technology, and AI in particular, adds a further important dimension. As AI tools increasingly shape how work is performed and how judgments are formed, responsibility for how those tools are selected, governed and relied upon falls largely on the organization ~~firm as a whole~~, not on any single individual. ~~The structural influence of AI and emerging technologies on firms' business models accentuates this shift, due to a progressive dilution of individual accountability and a greater emphasis on the way the firm is organized.~~Data adds a further layer. Firms and PAs increasingly rely on AI, cloud platforms and external providers to collect, hold and use data, including customer or client data. From a data governance perspective, ~~T~~this may raise~~s~~ ethical questions ~~beyond the revisions to the Code in 2023 on~~ around, for example, confidentiality, professional judgment, independence and ~~on storing or hosting audit clients' data, such as~~ accountability ~~for data and its quality, and how data use affects professional judgment and independence~~.

~~37.~~38. ~~The implication is that~~From a firm perspective, firm culture and governance (FCG) carry greater weight. A firm's ethical culture becomes a primary means of prevention. It strengthens the firm's resilience against misconduct, protects its brand ~~irrespective of who owns it~~, can reduce the need for detailed regulation, and ultimately shapes the reputation of the profession and the trust placed in it. ~~Likewise, a consistent approach to firms' culture and governance design helps mitigate possible disruption resulting from ownership changes, allowing the firm to maintain its DNA and ensure business continuity despite the changes in formal or de facto leadership and decision power. So~~Therefore, this objective ~~is about strengthening the foundations of trust in firms. It~~ involves setting clear expectations for ethical culture and governance across the whole firm, including their interrelationship with PE&OEI in firms.~~, including professionals who are not PAs, and assessing whether the Code adequately addresses external investment and alternative practice structures. It also involves testing the independence guardrails in the Code against evolving business models and addressing data governance from an ethical perspective. This firm-level view must extend beyond the audit practice. The ethical conduct of the whole firm, across tax, advisory and other non-audit services, and including other professionals in firms, shapes trust in the firm and the reputation of the profession.~~

automation and artificial intelligence (AI) and focus them on the bedrock of audit quality – firms' systems of quality management – with engagement-level reviews serving as validation of those systems, as opposed to being the core emphasis."

~~Given the close link between our work on firm culture and governance and the IAASB's ISQM 1,[26] and stakeholders' call for a coordinated response to alternative ownership structures, this work is being, and will continue to be, closely coordinated with the IAASB.~~**Proposed Strategic Actions**

We will:

- **Support implementation of the firm culture and governance provisions once this current project is completed**. We will develop implementation and other support material, including in coordination with the IAASB where applicable, and monitor the roll-out of the provisions so that we can identify and address any early implementation challenges.
- **Address the ethics and independence implications of ~~private equity and other external investment (~~PE&OEI~~)~~ in firms**. We will action any recommendations we accept from our information gathering in this current workstream, which is being undertaken in collaboration with the IAASB. We will coordinate any such actions with the IAASB.
- **Review the adequacy of the ethics and independence provisions in the Code against the rapidly evolving business models of firms**. We will ~~review~~ gather information on ~~how the Code's provisions apply as firms develop~~ the ~~increasingly complex~~evolving business relationships ~~with~~ between firms and AI and other technology providers, and respond appropriately to any findings.
- **Address data governance from an ethical perspective**. We will gather information on ~~accountability for~~ the governance over the data lifecycle and the related ethical implications, including for confidentiality, professional judgment, independence and ~~confidentiality~~ accountability, and determine the appropriate response.

~~**Proposed Strategic Objective 4: A Future-Ready Code that Supports the Profession in Addressing Technology, Sustainability and Financial Crime Challenges**~~

SO 4

PROPOSED STRATEGIC OBJECTIVE 4

Evolve a future-ready Code that supports the profession in addressing technology, sustainability and financial crime challenges

~~38.~~39. ~~This strategic objective responds to Trends 2, 3 and 4. It also reflects joint survey respondents' ranking of AI and emerging technologies as the most important trend.~~ Technology is reshaping how professional activities or services are performed or delivered. ~~and~~ It is also increasing the scale and sophistication of financial crime. Demand for credible sustainability information continues to grow, even as regulatory approaches diverge across jurisdictions. These developments affect the whole profession, not only auditors. PAIBs are often the first line of defense against fraud, misleading reporting and greenwashing within organizations, and PAPPs other than auditors may encounter the same risks in tax, advisory, forensic work and other non-assurance services. The Code, therefore, must keep pace with these enduring shifts.

~~[26] ISQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*~~

~~39. Technology, sustainability and financial crime affect the whole accountancy profession. Being future-ready means treating AI and emerging technologies, sustainability and financial crime as ongoing priorities rather than a series of one-off responses. It does not necessarily mean more standards. Stakeholders have urged the IESBA to maintain horizon scanning to monitor and anticipate developments across areas covered by the Code (see Strategic Objective 1), and these three areas will be a particular focus of that work. This means understanding early how they test the Code in practice, through evidence gathering and post-implementation reviews, and responding in proportion, amending the Code only where the evidence shows a gap.~~

40. On technology, this involves keeping the Code fit for purpose as AI changes how PAs work, exercise professional judgment and take responsibility for the outputs they rely on, including where AI is itself the subject of assurance. It also involves considering whether the Code's independence guardrails remain adequate as business relationships between firms and AI and other technology providers grow in scale, pace and complexity, and monitoring developments in digital assets. As these were the areas that the joint survey respondents most commonly identified for joint work, we will coordinate our work closely with the IAASB ~~where technology raises both ethics and audit and assurance issues~~.

41. On sustainability, the focus is on supporting global adoption and implementation (A&I) of the IESBA's sustainability-related standards, by PAIBs who prepare sustainability information as well as by those who assure it, and their interoperability with the IAASB's ISSA 5000, rather than on expanding the standard-setting agenda. Where regulatory divergence affects adoption, this objective also involves making clear the public interest case for consistent ethics and independence requirements in sustainability assurance.

42. On ~~F~~financial crime, this involves building on the NOCLAR ~~post-implementation review~~ PIR, ~~this involves~~ and assessing whether the Code adequately supports PAs in responding to emerging risks such as AI-enabled fraud, particularly PAIBs, who are often the first to encounter them. It also involves building relationships with anti-money-laundering bodies and others beyond the profession, and contributing to global public policy debates about the role the profession can play as a guardian of integrity, transparency and accountability, underpinned by ~~so that the IESBA is recognized as a credible partner in combating financial crime and~~ the Code ~~as a meaningful line of defense~~.

Proposed Strategic Actions

We will:

- **Address the ethical~~s~~ implications of AI and emerging technologies in PAs' work.** We will draw on the work of our Technology Working Group (TWG) and the input of our Technology Expert Group (TEG) to identify where further guidance or other action may be needed. We will coordinate with the IAASB where issues identified involve both ethics and audit and assurance considerations.
- **Address developments in digital assets**. We will gather information on the growing use of digital assets and related technologies as these give rise to new complexities and potential questions or challenges for PAs, including around transparency, valuation, ownership, accountability and the identification of potentially illicit activities.
- **Support the consistent implementation of the IESBA's sustainability-related standards.** We will continue to monitor the implementation of the sustainability-related standards, including

the IESSA, and develop appropriate responses to identified challenges, working in close coordination with the IAASB.

- ~~Seek to better~~Enhance **support for the profession's role in combating financial crime**. We will build on the outcomes of the NOCLAR ~~post-implementation review~~ PIR and gather information on rapidly expanding risks such as AI-assisted fraud to understand the ethical implications for PAs~~, particularly for PAIBs who are often the first to encounter them~~. We will pursue opportunities to develop guidance to better support PAs in responding to financial crime. In addition, ~~to inform this work and to promote awareness of how the Code supports PAs in responding to financial crime,~~ we will seek to develop closer working relationships with recognized organizations involved in the global fight against financial crime, and~~.~~ ~~We will leverage these relationships to~~ contribute to global public policy debates about the role the profession can play as part of the solution.
- ~~**Support the consistent implementation of the IESBA's sustainability-related standards.** We will continue to monitor the implementation of the sustainability-related standards, including the IESSA, and develop appropriate responses to identified challenges, working in close coordination with the IAASB.~~

~~PROPOSED STRATEGIC ACTIONS~~

~~43. The following sets out our proposed strategic actions in pursuit of the four strategic objectives described above. The specific initiatives or activities we commit to under these proposed strategic actions will be based on our assessment of their relative level of prioritization, taking into account the nature of the initiatives or activities, our Board and Staff resources, and our operating budget.~~

~~Proposed Strategic Objective 1: An Effective, Agile and Connected IESBA~~

~~**Strategic Actions**~~

~~*A. Increased Effectiveness, Agility, Connectivity and Institutional Identity*~~

~~44. We will:~~

~~*B. Increased Coordination and Collaboration with the IAASB*~~

~~45. We will:~~

- ~~—~~

~~Proposed Strategic Objective 2: Supporting Global Adoption and Consistent Implementation through a Clear and Accessible Code~~

~~46. **Strategic Actions** – We will:~~

- ~~—~~

~~Proposed Strategic Objective 3: Strengthening the Foundations of Trust in Firms~~

~~47. **Strategic Actions** – We will:~~

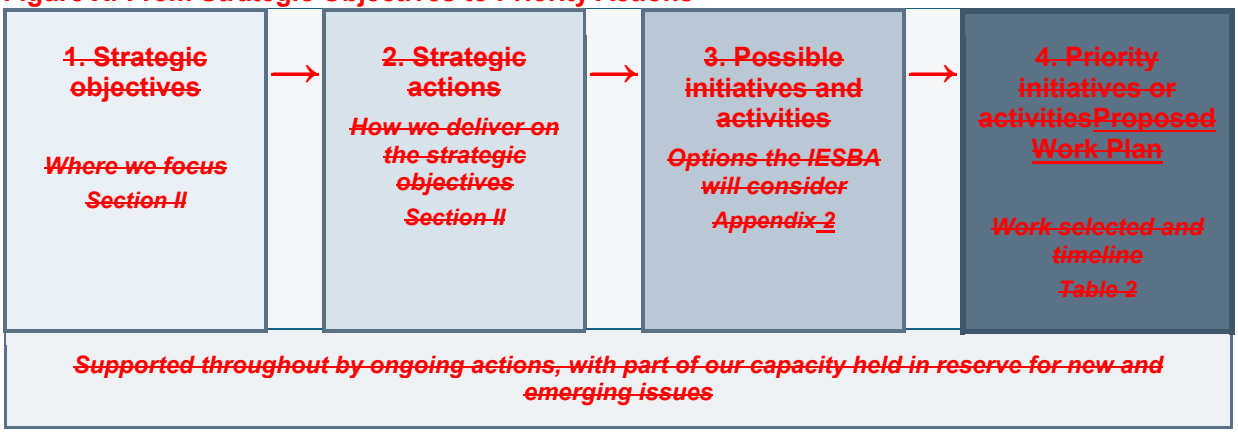
Proposed Strategic Objective 4: A Future-Ready Code that Supports the Profession in Addressing Technology, Sustainability and Financial Crime Challenges

48. **Strategic Actions** We will:

SECTION III: PROPOSED WORK PLAN 2028-2031

~~49. This section explains how we propose to deliver the strategic objectives and strategic actions set out in Section II. The Appendix 2 lists possible initiatives and activities the IESBA will consider in pursuing the strategic actions, taking into account the nature of the initiatives and activities and their relative priority.~~

~~Figure X: From Strategic Objectives to Priority Actions~~



~~PROPOSED WORK FOR 2028-2031~~

~~50.~~43. Table 2 sets out our proposed work plan for 2028–2031 by strategic objective. Table 2 shows the ~~priority~~ proposed initiatives or activities we have selected, or expect to select, with indicative timing, together with ongoing activities that run throughout the period.

~~51.~~44. Under each strategic objective, ~~we have indicated that at the beginning of each year,~~ annually we expect to assess the possible ~~related~~ initiatives and activities in ~~the~~ Appendix 2 or any new ones and decide which ones to take forward as ~~priority actions~~part of the work plan. We will use the prioritization approach described below. Assessing all objectives together allows us to set a realistic and balanced program of work within our resources, rather than adding work objective by objective.

~~52.~~45. In 2028, ~~as set out in Table 2,~~ our focus will be on completing work already under way, starting the ~~priority actions~~ initiatives or activities we have already decided on, and setting other priorities for the remaining capacity. As existing work concludes, capacity will shift to the ~~priority actions~~ initiatives or activities ~~confirmed in 2028 and,~~ later in the period, ~~to those~~ as confirmed through our annual reviews. The timing shown is indicative ~~and will be reviewed at least once a year~~.

46. Table 2 does not reflect the fact that some capacity is held in reserve to enable us to respond to emerging issues or developments in a timely manner, whether ~~these are~~ identified through our horizon scanning function, our ongoing coordination with the IAASB on standard-setting projects, or otherwise.

~~53.~~47. Table 2 also indicates the work we expect to undertake in coordination with the IAASB, reflecting the joint survey feedback calling for earlier and deeper coordination between the two Boards. Items marked <◎> are those the two Boards have identified for collaborative action, such as joint information gathering or connected PIRs. Other items noted as being 'in coordination with the IAASB' will be subject to our regular coordination with the IAASB. For each collaborative item, the two Boards

will agree the form of collaboration at the scoping stage. Where the Boards' timelines differ, we will seek to align them.

Table 2: Proposed Work Plan 2028–2031

~~**[To be added: indicative resource allocations across the different actions]**~~

The nature and timing of ~~priority actions~~ initiatives or activities in the work plan may change depending on Board decisions on which actions to prioritize. Annually, we will reassess initiatives or activities under each strategic objective and decide which ones to continue or which new ones to take forward, in conjunction with the other strategic objectives.

	~~2028~~	~~2029~~	~~2030~~	~~2031~~
~~SO 1: An Effective, Agile and Connected IESBA~~				
~~Assessment of possible initiatives and activities for SO 1 (see Appendix) and setting of priority actions, in conjunction with the other SOs~~	~~X~~	~~X~~	~~X~~	~~X~~
~~**Priority action**: Framework for timely responses to new or emerging issues~~	~~X~~			
~~**Ongoing actions:**~~ ~~• Enhancing capacity and capability~~ ~~• Broadening stakeholder engagement~~ ~~• Pursuing communications or other initiatives to reinforce the IESBA's identity~~ ~~• Executing a dedicated communications strategy~~ ~~• Progressing coordination with the IAASB and other standard setters~~	~~X~~	~~X~~	~~X~~	~~X~~
~~SO 2: A Clearer, More Usable Code That Supports Global Adoption and Consistent Implementation~~				
~~Completing existing work *(Non-authoritative material on collective investment vehicles)*~~	~~X~~			
~~Assessment of possible initiatives and activities for SO 2 (see Appendix) and setting of priority actions, in conjunction with the other SOs~~	~~X~~	~~X~~	~~X~~	~~X~~
~~**Priority action**: Post-implementation reviews of non-assurance services and fees provisions, and, in coordination with the IAASB, the definition of a public interest entity~~	~~X~~	~~X~~		
~~**Priority action:** Post-implementation review of independence provisions addressing group audits~~				~~X~~

	2028	2029	2030	2031
Ongoing actions: • Making the Code easier to access and use • Reinforcing proportionality • Focusing adoption and implementation support where it is most needed, including for PAIBs and PAPPs other than auditors	X	X	X	X
SO 3: Strengthening the Foundations of Trust in Firms				
Completing existing work *(FCG; PE&OEI, subject to the Board's decision expected in 2027)*	X	X		
Assessment of possible initiatives and activities for SO 3 (see Appendix) and setting of priority actions, in conjunction with the other SOs	X	X	X	X
Priority action: Evolving business relationships with AI and other technology providers *(subject to findings from information gathering)*	X			
Priority action: Data governance (subject to assessment)				X
Ongoing actions: • Monitoring roll-out of the firm culture and governance provisions	X			
SO 4: A Future-Ready Code that Supports the Profession in Addressing Technology, Sustainability and Financial Crime Challenges				
Completing existing work *(follow-up to the NOCLAR post-implementation review)*	X			
Assessment of possible initiatives and activities for SO 4 (see Appendix) and setting of priority actions, in conjunction with the other SOs	X	X	X	X
Priority action: Financial crime *(subject to 2028 assessment)*	X	X		
Priority action: Post-implementation review of the technology-related revisions			X	X
Ongoing actions: • Supporting implementation of the sustainability-related standards in coordination with the IAASB • Horizon scanning through the Technology Working Group and the Trends and Risk Committee	X	X	X	X

	2028	2029	2030	2031
SO 1: Build ~~A~~an Effective, Agile and Connected IESBA				
1.1 Develop a framework for timely responses to emerging issues or developments • Develop a framework for responding to ~~new or~~ emerging issues or developments, with clear criteria for deciding when non-authoritative guidance, a narrow-scope amendment, full standard setting or another response is appropriate.~~,~~ This will enable~~ing~~ more timely responses while maintaining rigor and transparency. ~~Develop this framework jointly~~ This work will be done in coordination with the IAASB. • Strengthen horizon scanning and evidence-based prioritization as standing functions, keeping emerging issues or developments under regular monitoring.	X			
1.2 Ongoing actions: ***1.2.1 Enhance our capacity and capability to deliver the strategy*** • Strengthen staff capacity, including by making greater use of secondments, consultants and volunteers ~~beyond the Board~~, alongside permanent staff. • Develop and implement with the IAASB an organizational strategy for AI engagement and deployment. This includes ~~S~~strengthening staff capabilities in AI and emerging technologies and making~~e~~ effective use of AI tools in research and analysis~~, working with the IAASB where there are synergies~~. • Work with the IAASB to identify and adopt common benchmarks, effective approaches and tools, and good practices in how we work, including enhancing our processes for information gathering and outreach, and creating mechanisms for early or real-time feedback on the implementation of the Code. ***1.2.2 Broaden our engagement beyond traditional stakeholders***	X	X	X	X

	2028	2029	2030	2031
• Expand the Partnerships Program ~~within the remit of~~ under the IESBA's ~~Adoption and Implementation~~ A&I workstream ~~Working Group~~ to include a wider range of organizations, extending the reach of our outreach and implementation support. • Establish and strengthen engagement with stakeholder groups beyond our traditional constituencies, such as prudential regulators and banking supervisors, sustainability assurance providers, bodies involved in combating financial crime, and private markets participants. • Establish more structured engagement with PAIB networks~~, employers~~ and relevant regulators. ***1.2.3 Reinforce our identity as an independent, global standard setter*** • Engage visibly with investors and other users and the broader stakeholder community to reinforce the IESBA's identity as an independent, global standard setter and its role in promoting public trust in the profession and in financial and non-financial reporting. ***1.2.4 Communicate in ways that promote ethics effectively, make the Code accessible and its public interest purpose clear*** • Adopt and resource a dedicated communications and stakeholder engagement strategy as a core Board function, with defined reach across regions and audiences. • Raise awareness and understanding of the Code among PAIBs and non-PA practitioners, including through targeted channels and partners that reach them directly. • Publish plain-language, user-friendly and practical explanatory materials and digital resources alongside every major revision of the Code. • Make the public interest rationale for major standard-setting projects, decisions and due process steps more transparent throughout the project lifecycle.				

	2028	2029	2030	2031
• Track how the IESBA and the Code are known, understood and used globally, including whether the IESBA is seen as representing users and the public interest and not only the profession, and use the results to adjust our approach. 1.2.5 ~~*Increased*~~ *Enhance* ***coordination and collaboration with the IAASB*** *and other standard setters* ~~***Coordinate with the IAASB from the earliest stages and work with other standard setters***~~ • Coordinate with the IAASB from the early stages of relevant work, identifying cross-Board implications before projects begin and agreeing whether joint or coordinated work is most appropriate. • Explore with the IAASB joint expert and advisory groups to share knowledge and technical expertise. • Identify opportunities for synergies with the IAASB on standard setting, the development of implementation support material, outreach and other activities. • Undertake coordinated ~~post-implementation reviews~~ PIRs with the IAASB on shared priorities (see 2.3 and 2.4)~~, such as the definition of a public interest entity~~~~PIE independence~~. • Develop and implement with the IAASB a common approach to ~~post-implementation reviews~~ PIRs, building on a review of the two Boards' approaches in 2027 and taking into account the PIOB's revised due process for conducting such reviews. • Work with the IASB and ISSB, where appropriate, to promote interoperability between standards.				
SO 2: Support~~ing~~ Global Adoption and Consistent Implementation through a Clear and Accessible Code				
2.1 Complet~~e~~ing existing work: 2.1.1 Non-authoritative material on collective investment vehicles (CIVs)[27]	X			

[27] In December 2025, the IESBA accepted the CIVs ~~p~~Project ~~t~~Team's final report on auditor independence for audits of CIVs and

	2028	2029	2030	2031
2.2 Undertake PIRs of non-assurance services (NAS) and fees provisions[28]	X	X		
2.3 Undertake PIR of the definition of public interest entity (PIE)[29]	X	X		
2.4 Undertake PIR of independence provisions addressing group audits[30]		X	X	
2.5 Undertake PIR of the tax planning standards[31]				X
2.6 Ongoing actions: ***2.6.1 Undertak~~e~~ing A&I initiatives or activities under the A&I Working Group*** • See A&I Working Group's Phase 2 plan in Appendix 2 ***2.6.2 Focus~~ing~~ A&I support where it is most needed*** • In partnership with IFAC, JSS and other stakeholders, assess the reasons for delayed or partial adoption of the Code across jurisdictions; to the extent within our control, pursue targeted initiatives to support jurisdictions in adopting the latest version of the Code. • Through outreach and other initiatives, identify and respond to A&I needs for PAIBs and PAPPs other than auditors. • Develop achievable and measurable goals for adoption, to the extent within the IESBA's control. ***2.6.3 Undertake targeted simplifications of the Code where warranted***	X	X	X	X

pension funds and agreed to develop NAM on applying the conceptual framework in this area. Paused in 2026 to free resources for other priorities, the work is expected to resume in 2027 as capacity becomes available.

[28] The NAS and fees provisions became effective in December 2022.

[29] The revisions to the definition of a PIE and related provisions became effective in December 2024. We will undertake this PIR in collaboration with the IAASB, which plans to revisit the definition of a PIE in its quality management standards and ISAs in light of the PIR.

[30] The independence provisions addressing group audits and the IAASB's ISA 600 (Revised) have the same effective date, i.e., for audits of group financial statements for periods beginning on or after December 15, 2023. We will undertake this PIR in collaboration with the IAASB's PIR of ISA 600 (Revised).

[31] The tax planning standards became effective in July 2025.

	2028	2029	2030	2031
• Through ~~post-implementation reviews~~ PIRs, implementation monitoring and stakeholder feedback, identify provisions in the Code that are ~~unnecessarily~~ unduly complex or difficult to understand and implement; undertake targeted simplifications where justified by the findings, while preserving the robustness of the Code's principles. ***2.6.4 Pursue opportunities ~~Seek ways~~ to make the Code easier to access and use~~apply~~*** • In collaboration with IFAC, test and relaunch the digital Code, with improved navigation, search and interactive tools. • Building on the initiatives already under way, identify and develop other ways to ~~improve~~ further enhance the usability of the Code. • Develop guidance and other support material for PAIBs and PAPPs other than auditors on topics such as NOCLAR, tax advisory, forensic accounting and conflicts of interest. ***2.6.5 Reinforce the proportionality ~~in applying~~ of the Code*** • Develop non-authoritative and other support material that further explains how the Code can be applied proportionately, particularly for SMPs. • Develop non-authoritative and other support material tailored to the needs and circumstances of practitioners in emerging markets. ***2.6.6 Use implementation evidence from PIRs to guide our response~~s~~*** • Undertake ~~post-implementation reviews~~ PIRs, consider the findings and take further action as appropriate, such as developing additional guidance.				
SO 3: Strengthen~~ing~~ the Foundations of Trust in Firms and the Profession				
3.1 Complet~~e~~ing existing work: ***3.1.1 Support implementation of the ~~firm culture and~~***	X	X		

	2028	2029	2030	2031
~~*governance*~~ ***FCG provisions***[32] • Develop non-authoritative and other guidance material to support ~~adoption and implementation~~ A&I of the ~~firm culture and governance~~ FCG provisions, ~~targeted for approval in September 2027,~~ in coordination with the IAASB. • Monitor implementation to identify and address implementation challenges. ***3.1.2 Address the ethics and independence implications of PE&OEI in firms***[33] • Consider the findings and recommendations from information gathering and take any appropriate actions, whether undertaking a standard-setting project or developing non-authoritative material or both, in coordination with the IAASB.				
3.2 Review the adequacy of the ethics and independence provisions in the Code against the rapidly evolving business models of firms[34] *(subject to information gathering and prioritization assessment)* • Review how the Code's provisions apply as firms ~~develop increasingly complex~~build business relationships with AI and other technology providers, and respond appropriately to any findings.	X			
3.3 Address data governance from an ethical perspective[35] **(***subject to information gathering and* prioritization *assessment*) • Gather information on data governance from an ethical perspective, including accountability for data			X	

[32] The current FCG project is targeted for completion by Q3 2027.

[33] In July 2026, the IESBA and IAASB established a collaborative workstream approach for undertaking "Phase 1" information gathering relating to this topic, which is expected to culminate in a joint final report in March 2027 for each Board's consideration.

[34] Given that business relationships between firms and AI and other technology providers are growing in speed, scale and depth, the IESBA has agreed to initiate an information-gathering workstream [insert link to approved ToR] to understand the ethics and independence implications of these rapidly evolving business relationships. We will coordinate with the IAASB where matters of mutual interest arise. A final report is targeted for December 2027.

[35] Our TWG's 2022 report recommended that we address the ethics implications of PAs holding data that belongs to clients and others beyond confidentiality and the independence provisions on storing audit clients' data, together with wider data governance challenges.

	2028	2029	2030	2031
quality, holding and using customer or client data~~,~~ (including in developing AI tools), and how its use affects professional judgment, client and engagement relationships, independence, cybersecurity and confidentiality. • Consider and take appropriate action to address the ethics and independence issues identified, including developing guidance material.				
SO 4: Evolve a~~A~~ Future-Ready Code that Supports the Profession in Addressing Technology, Sustainability and Financial Crime Challenges				
4.1 Complete~~ing~~ existing work: ***4.1.1 Follow-up to the NOCLAR PIR***[36]	X			
4.2 *Address developments in digital assets* *(subject to information gathering and prioritization assessment)* • Gather information on ethics and independence considerations relating to digital assets, including around transparency, valuation, ownership, accountability and the identification of potentially illicit activities ~~and the assurance of AI systems~~, consider the findings and take further action as appropriate.		X	X	
4.3 *~~Seek to better~~ Enhance support for the profession's role in combating financial crime* *(subject to information gathering and prioritization assessment)* • ~~Take forward the agreed actions following the NOCLAR post-implementation review~~ PIR~~.~~ • Gather information on financial crime, including AI-assisted fraud, identity manipulation and fabricated financial information, and determine whether guidance on the ethical considerations is warranted; consider targeted revisions to the Code only where the evidence shows a clear need. • Build working relationships with recognized organizations involved in the global fight against	X	X	X	X

[36] We expect to complete the PIR of the NOCLAR provisions in 2027. In 2028, we will take forward any actions the Board agrees in response to its findings, coordinating with the IAASB if it takes forward work on ISA 250 (Revised).

	2028	2029	2030	2031
financial crime; leverage these relationships to share insights on emerging risks and contribute to global public policy debates about the role the profession can play as part of the solution. • Communicate how the Code supports PAs, particularly PAIBs who are often the first line of defense, in preventing, identifying and responding to financial crime.				
4.4 Undertake PIR of the technology-related revisions[37]			X	X
4.5 Ongoing actions: ***4.5.1 Support the consistent implementation of the IESBA's sustainability-related standards*** • Monitor the implementation of the sustainability-related standards, including the IESSA, and develop additional ~~non-authoritative material~~NAM as needed. ~~,~~ This work will be carried out in coordination with the IAASB. ***4.5.2 Address the ethical implications of AI and emerging technologies in PAs' ~~s~~ work*** • Consider emerging issues or developments identified by the ~~Technology Working Group~~ TWG and TRC, including in relation to the assurance of AI systems, and determine whether further information gathering or other action is warranted.	X	X	X	X

HOW WE WILL PRIORITIZE AND ADJUST

~~54.~~48. As we work with limited resources, we apply a consistent approach to deciding which initiative or activity to take up and when. We assess each initiative or activity against ~~three~~ five criteria:

(a) **Remit:** whether the matter falls within our remit and can be addressed through standard setting or related activities; ~~.~~

(b) **Strategic significance:** its public interest significance, global relevance, alignment with our strategic objectives, and stakeholder expectations; ~~.~~

(c) **Urgency:** the risks of not acting, and how time-sensitive a response is; ~~.~~

[37] The technology-related revisions to the Code came into effect in December 2024.

(d) **Feasibility:** whether a technically sound and achievable response that would make a meaningful difference is likely within a reasonable timeframe;~~.~~ and

(e) **Resource demand:** the staff and Board time required, having regard to technical complexity, consultation needs and any need for external expertise.

~~55.~~49. These assessments inform the Board's judgment rather than produce a score. Work of the highest priority has first call on resources. Each work stream is then started or continued, ~~started when~~deferred until capacity allows, put on hold, or removed from the work plan.

~~56.~~50. We also consider the collective impact of the work plan as a whole from a public interest perspective. This includes whether stakeholders can absorb the pace and volume of our outputs, the demands we place on them for input through surveys, exposure drafts and other consultations, and the balance between standard setting and supporting global A&I ~~adoption and implementation~~. As many of our stakeholders also engage with the IAASB, we take into account the combined volume and timing of both Boards' consultations and other outputs, and their cumulative impact on stakeholders.

~~57.~~51. We will review the work plan and our priorities at least annually~~once a year~~. Deliverables and timing may change as a result of project findings, stakeholder feedback, changes in available resources or significant developments in our environment. We will explain any significant changes transparently. Our work plan and prioritizations are subject to oversight by the PIOB.

INDICATIVE RESOURCE ALLOCATION (New section added this version)

~~58.~~52. Our work is expected to be supported by an operating budget of approximately [insert amount] in 2028 as an allocation within the broader budget of the International Foundation for Ethics and Audit (IFEA). On balance, the overall IFEA budget and allocations for the IESBA and the IAASB are expected to be reasonably stable, with low expectations of additional funds entering the system, other than the possibility of agreed upward annual adjustments.

~~59.~~53. Owing to the nature of our activities and deliverables, the availability of human resources in the context of total hours viewed as full-time equivalent (FTE) units provides the most appropriate measure to indicate the allocation of resources to deliver our work plan. FTE units take into account technical staff employed by IFEA and allocated to the IESBA, and volunteers or secondees used to augment staff capacity.

~~60.~~54. We expect to have the following human resources available at the start of 2028, with the expectation that this would remain stable across 2028–2031:

Table 3: Technical Staff Available in 2028

Staff level	Number	FTE units
Directors	4	4.0
Principals	4	4.0
Senior Managers	3	3.0
Volunteer/Secondee	1	1.0
Total	**12**	**12.0**

Note: Technical staff allocated to the IESBA, excluding senior leadership. FTE units assume all staff work full-time.

~~61.~~55. The following is an indicative resource allocation for 2028 across the items in Table 2. We provide an estimate for 2028 only, as the work we take up in later years will depend on the outcome of work under way, our annual assessment of possible initiatives and developments in our environment, and related information gathering. In estimating the allocation, we aim to retain 5-10% of our capacity in reserve to respond to unplanned or unexpected work such as addressing emerging issues or developments. For 2028, we have estimated this reserve at 5%. We also allow for 15% of our capacity to be used for Board operational and administrative activities.[38] The allocation is not a fixed share for each strategic objective, as the balance will shift as existing work concludes and new initiatives or activities are confirmed.

Table 4: Indicative Resource Allocation by Strategic Objective for 2028

Strategic Objective	Total Technical Staff Resource
SO 1: Build an Effective, Agile and Connected IESBA	15%
SO 2: Support Global Adoption and Consistent Implementation through a Clear and Accessible Code	25%
SO 3: Strengthen the Foundations of Trust in Firms and the Profession	20%
SO 4: Evolve a Future-Ready Code that Supports the Profession in Addressing Technology, Sustainability and Financial Crime Challenges	20%
Total work plan (Table 2)	**80%**
Reserve for unplanned or unexpected work	5%
Board operational and administrative activities	15%
Total	**100%**

~~62.~~56. As part of our annual review of the work plan, we will review the resource allocation, report on how capacity has been used and on progress against each strategic objective.

[38] This may include, for example, management of the IESBA budget, support for outreach and communications activities, IESBA Planning Committee support, staff training, maintenance of the IESBA Handbook, etc.

Appendix 1

List of Acronyms and Abbreviations

A&I	Adoption and implementation
AI	Artificial intelligence
CIV	Collective investment vehicle
CP	Consultation paper
FCG	Firm culture and governance
FTE	Full-time equivalent
IAASB	International Auditing and Assurance Standards Board
IASB	International Accounting Standards Board
IESSA	International Ethics Standards for Sustainability Assurance (including International Independence Standards)
IFAC	International Federation of Accountants
IFEA	International Foundation for Ethics and Audit
IFIAR	International Forum of Independent Audit Regulators
IOSCO	International Organization of Securities Commissions
ISA 250	International Standard on Auditing (ISA) 250, *Consideration of Laws and Regulations in an Audit of Financial Statements*
ISA 600 (Revised)	ISA 600, Special Considerations – *Audits of Group Financial Statements (Including the Work of Component Auditors)*
ISQM 1	International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*
ISSA 5000	International Standard on Sustainability Assurance (ISSA) 5000, *General Requirements for Sustainability Assurance Engagements*
ISSB	International Sustainability Standards Board
JSS	Jurisdictional standard setters
NAM	Non-authoritative material
NAS	Non-assurance service(s)
NOCLAR®	Non-compliance with laws and regulations
PA	Professional accountant
PAIB	Professional accountant in business

PAPP	Professional accountant in public practice
PCAOB	U.S. Public Company Accounting Oversight Board
PE&OEI	Private equity and other external investment (in firms)
PIE	Public interest entity
PIR	Post-implementation review
SMP	Small and medium practice
SO	Strategic objective
SSB	Standard-setting board
SWP	Strategy and Work Plan
TEG	IESBA Technology Expert Group
TRC	IESBA Trends and Risks Committee
TWG	IESBA Technology Working Group

Appendix 2

Adoption and Implementation Working Group Phase 2 Plan (Placeholder)

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