

Mr. Tom Seidenstein  
Chair of IAASB and Co-CEO of  
International Foundation for Ethics  
and Audit

Ms. Gabriela Figueiredo Dias  
Chair of IESBA and Co-CEO of  
International Foundation for Ethics  
and Audit

Submitted by email

**Subject: Accountancy Europe accompanying letter to IAASB and IESBA joint stakeholder survey**

Dear Mr. Seidenstein, dear Ms. Dias,

Accountancy Europe welcomes the opportunity to provide input to the joint IAASB–IESBA survey. In addition to our survey response, we would like to highlight a number of key observations that we believe are critical to the development of your future strategies and work plans.

First, we support a joint strategy consultation by IAASB and IESBA, as coordination and collaboration between the two Standard Setting Boards (SSB) is very important and should continue to be strengthened. However, our views on matters relating to the IAASB and IESBA often differ. While we have tried to reflect this in our response to the questions, the survey format, particularly the rating system, does not allow for a clear distinction. This made the rating exercise more complex and limited our ability to provide meaningful and differentiated feedback.

Please note that our assumption of rating each topic is related to the need for standard-setting activities only and not the importance of the topic more broadly.

Second, there is a clear need for both SSBs to strengthen their engagement with the profession and give significantly greater weight to what works in practice. The profession is the primary user of your standards and is ultimately responsible for their implementation. However, there is an increasing perception that practical challenges and operational realities are not sufficiently reflected in standard-setting outcomes. This misalignment can reduce the effectiveness, usability and adoption of standards.

In addition, there is a need for a clear shift in focus from developing new standards to ensuring effective implementation and adoption of existing ones or revising existing ones that are not operable in practice. Across both auditing and ethics, the volume and complexity of standards have increased significantly in recent years. This is creating challenges in terms of usability, proportionality and consistent application, particularly for smaller and less complex entities. This also creates challenges for the implementation and adoption by standard setters in different jurisdictions.

In this context, we strongly encourage both SSBs to prioritise post-implementation reviews of recent changes. This should include assessing whether standards are achieving their intended objectives in practice and identifying areas where complexity, lack of clarity or operational challenges may reduce

their effectiveness. Such reviews should also assess the quality of the standards themselves as final products and identify what changes are needed to ensure they are fit for purpose, usable in practice and adoptable across firms. Importantly, post-implementation reviews should focus on addressing practical issues and improving operability, rather than introducing additional requirements.

With regard to IESBA Code of Ethics, we emphasise that a principles-based framework continues to be the best way to respond to the increasing pace of change. However, the Code is increasingly perceived as rules-based and overly detailed and lengthy. This appears to reflect a more reactive standard-setting approach, where responses to specific issues or regulatory developments in certain jurisdictions are translated into global requirements.

Finally, there is a need to ensure that standard-setting activities remain within the core mandates of the IAASB and IESBA. Recent developments suggest a tendency to expand into areas that are more appropriately addressed by regulators or policymakers. Greater prioritisation is needed to focus efforts on areas where standard setters can have the most meaningful impact.

Accountancy Europe remains committed to contributing constructively to the work of both Boards and would welcome continued dialogue on these matters. Please do not hesitate to contact our colleagues Hilde Blomme at [hilde@accountancyeurope.eu](mailto:hilde@accountancyeurope.eu) and Endrin Bitraj at [endrin@accountancyeurope.eu](mailto:endrin@accountancyeurope.eu) for further outreach.



Eelco van der Enden

Chief Executive

## **ABOUT ACCOUNTANCY EUROPE**

Accountancy Europe unites 49 professional organisations from 35 countries that represent close to **1 million** professional accountants, auditors and advisors. Accountancy Europe translates their daily experience to inform the public policy debate in Europe and beyond.

Accountancy Europe is in the EU Transparency Register (No 4713568401-18).

## 2. SECTION I: ABOUT THE RESPONDENT

### 1. From which perspective are you providing this feedback?

The view of an organization

#### Please complete:

Your name:

Your organization (if applicable):

E-mail address:

#### Please complete:

Organization:

Accountancy Europe

Name(s) of contact(s) for this submission:

Endrin Bitraj

E-mail address(es) of contact(s):

endrin@accountancyeruope.eu

### 2. Please select from the following options to which stakeholder group you or your organization belongs:

International Organization

#### Please specify the type of accounting firm:

#### Please specify:

### 2. Please specify:

Representing 49 professional organisations from 35 countries

#### Please specify:

#### Please specify:

### 3. Please select from the following options the geographical region that best matches you or your organization:

### 3. Please select from the following options the geographical region that best matches you or your organization:

Europe

#### 4. SECTION III: SSBs' STRATEGIC POSITIONING FOR 2028–2031

**4. As the SSBs look toward the 2028–2031 period, they are reflecting on how to position their strategies and work plans to best serve the public interest within a rapidly changing global environment. This involves careful consideration of how the SSBs remain relevant, responsive, and impactful in their standard-setting and other related work. In that context, what do you believe the SSBs should aspire to achieve during their next strategy period, 2028–2031?**

**Your answer may touch on different dimensions, for example:**

**The relevance, responsiveness and impact of the SSBs' standard-setting and related activities.**

**Broader adoption and effective implementation of the SSBs' standards.**

**The SSBs' interaction and engagement with key stakeholder groups.**

**The SSBs' ability to serve the public interest.**

**The examples above are for illustrative purposes only and should not limit, direct, or otherwise influence your response.**

**Your answer should address the IAASB and IESBA collectively; however, you may wish to also highlight matters specifically for the IAASB or IESBA (if applicable, you could use separate headings to address such matters).**

Accountancy Europe supports the initiative for a joint consultation between IAASB and IESBA and encourages enhanced coordination between the two boards. We also appreciate the joint efforts of the IAASB and IESBA and would strongly encourage further joint initiatives. Where projects have impact on the Code and standards the IAASB and IESBA must ensure an integrated approach and simultaneously open for public comments and consideration. However, it is important to recognise that the two boards have fundamentally different mandates.

IAASB focuses on audit and assurance standards while the intention is for IESBA to focus on principle-based ethical framework for all professional accountants. This distinction creates challenges when responding through a single survey with uniform ratings. We have therefore provided separate ratings and comments in our responses as necessary.

Please note that our assumption of rating each topic is related to the need for standard-setting activities only and not the importance of the topic more broadly. For some topics, we provided different ratings in the comment boxes. In addition, in the overall scoring, we used the higher of the IAASB and IESBA ratings. The rating system proved to be complex and required additional interpretation. Looking ahead, simplifying the rating approach would help ensure more consistent and straightforward responses.

We believe that the priority for both boards should be effective implementation and adoption of existing standards rather than continuing development of new requirements. Many emerging issues (e.g. technology) are better addressed through guidance,

education and tools rather than new standards. Excessive standard-setting risks increasing complexity, reducing adoption and contributing to fragmentation. Fundamentally, changes should be based on a more robust analysis of costs and benefits, being mindful of who receives the benefits and who bears the costs (e.g. smaller versus larger audit firms and reporting entities). Embedding more sophisticated cost benefit considerations into the due process would not only improve the value delivered overall but also help convince jurisdictions that local adoption is worthwhile.

There is a growing concern that standards have become increasingly lengthy and complex over time. In many cases, revised standards have expanded to several times the length of their previous versions, adding layers of detail with diminishing returns in terms of improved audit quality or ethical outcomes. Stakeholder engagement processes should avoid an overreliance on input from regulators and instead ensure a more proportionate and inclusive consideration of perspectives across the profession, preparers, users, and other stakeholders especially from small and medium-sized practitioners and entities. Regarding the IESBA code of ethics, it is essential that it remains strictly within its remit, is principle-based, robust and adaptable, rather than becoming increasingly rules-based or reactive to individual developments not necessarily relevant to professional accountants. Frequent amendments in response to emerging situations risk undermining the clarity, stability and usability of the Code. Instead, greater emphasis should be placed on thorough post-implementation reviews of recently issued standards, such as those on non-assurance services (NAS), fees, external experts and the International Ethics Standards for Sustainability Assurance (IESSA), rather than broad or generalised survey approaches.

Standards should be designed to be durable and stable over time. Frequent or incremental changes can impose considerable costs on the profession, reporting entities, and others, including implementation, training, and system adaptation costs. Accordingly, standard setters should place a strong emphasis on stability and avoid changes unless genuinely necessary and justified by robust root cause and cost benefit analyses.

These elements are critical to ensuring that the standard-setting boards serve the public interest by promoting high-quality, globally consistent standards that are practical, implementable and stable over time.

Accountancy Europe has also addressed an accompanying letter to the Chairs of both Standard-Setting Boards, highlighting a number of key high-level observations. Please find the link to the letter: <https://accountancyeurope.eu/consultation-response/iaasb-and-iesba-joint-consultation-on-2028-2031-strategy/>

## 6. SECTION IV: KEY TRENDS IMPACTING THE SSBs

### A.1 Digital Transformation – Increasing Use of Emerging Technologies

6 – Strongly increasing in importance

**Please explain why you do not believe this should be considered a relevant trend for the SSBs:**

**Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?**

The digital transformation is not primarily a standard-setting issue. Technology is evolving quickly and it is not the role of standards to keep pace, rather the aim is for them to remain principle-based and robust in the face of change. Attempting to respond at a detailed level through new standards can create obsolete requirements and increase complexity without solving practical issues. The appropriate steps should be non-authoritative guidance and practical implementation support.

IAASB rating: 6 (Strongly increasing importance)

Technology is clearly important in general, but IAASB already has projects addressing technology. The issue is not a lack of detail in standards, the issue is whether existing standards are fit for purpose and robust.

IESBA rating: 4 (Slightly increasing in importance)

Despite the rapid pace of technological change, it is important to maintain a robust, principle-based Code that remains applicable across evolving scenarios. At the same time, recent developments have made the Code increasingly rules-based, moving away from its original principles-based foundation.

The recently issued Technology provisions have already strengthened the Code's ability to address such changes. Further standard-setting in response to specific technological developments is not necessary. Instead, greater emphasis should be

placed on non-authoritative material (NAM) to illustrate how the principles-based framework can be applied in practice to emerging technologies.

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## **A.2 Digital Transformation – Digital Assets and Institutionalization of Digital Assets**

2 – Decreasing in importance

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**Please explain why you do not believe this should be considered a relevant trend for the SSBs:**

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**Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?**

From a standard-setting perspective, digital assets do not introduce fundamentally new concepts that would justify the development of specific standards. The main challenges in this area arise at the level of financial reporting (e.g. recognition, measurement and disclosure), and these issues have already been addressed. At present, there does not appear to be anything intrinsically new that would require further action from audit or ethics standard setters.

However, this assessment may need to be revisited if financial reporting requirements were to change significantly in this area. This area needs to remain closely monitored to assess whether future standard setting might be required.

More importantly, the relevance and urgency of digital assets vary significantly across jurisdictions. In the United States, this topic is more advanced and has gained greater prominence, both from a market and regulatory perspective. In contrast, in Europe, the environment is already heavily regulated and digital assets are currently less of a priority. This regional divergence makes it difficult to justify a strong global standard-setting response.

We therefore consider that digital assets are primarily a matter for financial reporting standards setters, regulators and market developments, rather than for global assurance and ethics standard setters. Any response, if needed, should focus on non-authoritative guidance or knowledge-sharing rather than the creation of new standards.

IAASB rating: 2 Decreasing in importance

IESBA rating: 1 Strongly decreasing in importance

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## **A.3 Digital Transformation – Financial Crimes Enabled by Technology**

5 – Increasing in importance

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**Please explain why you do not believe this should be considered a relevant trend for the SSBs:**

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**Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?**

The increase in financial crime enabled by technology, including cyber-related risks is acknowledged. However, we consider that this issue is being framed in a way that overextends the role of standard setters.

Financial crime is fundamentally a matter for legal and regulatory frameworks, including Anti-Money Laundering (AML) systems and enforcement mechanisms. In the European Union (EU), the new AML Regulation and 6th AML Directive are being implemented and the new EU wide regulator, AMLA, has started work.

While evolving risks such as cyber threats may increase expectations on auditors, particularly in areas such as risk assessment and going concern, this does not in itself justify the development of new auditing or ethical standards. Existing frameworks are designed to be adaptable to emerging risks, and the appropriate response should primarily involve guidance, supervisory focus and practical implementation support.

However, more and better collaborations between AML experts and standard setters might need to be envisioned.

IAASB rating: 5 Increasing in importance

## 7. SECTION IV: KEY TRENDS IMPACTING THE SSBs

### B.1 Changes in the Geopolitical and Regulatory Landscape – Regulatory Changes

4 – Slightly increasing in importance

**Please explain why you do not believe this should be considered a relevant trend for the SSBs:**

**Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?**

Geopolitical and regulatory changes have always been a feature of the environment in which the profession operates, and we do not consider this to be a new trend.

More importantly, these developments are driven by governments and regulators and are therefore outside the direct influence of standard setters. While they may have indirect implications, they are not something that IAASB or IESBA can meaningfully respond to through standard-setting.

In the current environment, there is a clear move toward simplification and reduction of regulatory burden in several jurisdictions. In this context, it is particularly important that standard setters do not contribute further to complexity and stand back and reflect on simplification and de-burdening means for them. This should be guided by careful cost–benefit considerations and proportionality principles, as it is also reflected in regulatory frameworks such as Directive (EU) 2018/958 on the proportionality test, rather than by short-term political trends.

From this perspective, greater emphasis should be placed on post-implementation reviews to assess where the extant IESBA Code may be creating unnecessary complexity or burden without a corresponding benefit in terms of audit quality or the public interest.

The focus of standard setters should therefore shift from further developing new standards to supporting effective adoption and implementation of existing requirements. In particular, understanding the reasons for limited or inconsistent adoption of certain IESBA standards across jurisdictions would be valuable. This could help identify whether challenges arise from perceived and actual added value, usability, proportionality or alignment with local frameworks, and inform targeted improvements to enhance their practical application.

IAASB rating: 4 Slightly increasing in importance

IESBA rating: 4 Slightly increasing in importance

### B.2 Changes in the Geopolitical and Regulatory Landscape – Risk of Fragmentation

4 – Slightly increasing in importance

**Please explain why you do not believe this should be considered a relevant trend for the SSBs:**

**Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?**

Fragmentation is driven by the volume and complexity of standards, not by a lack of them. The priority should be simplification through focused post-implementation reviews, not additional requirements

IAASB rating: 4 Slightly increasing in importance

ISAs are generally well adopted globally. Fragmentation is therefore not primarily an IAASB issue. The main challenge is the increasing complexity of standards, which affects usability and consistent application, particularly for smaller and less complex entities. The focus should be on simplification and proportionality, not additional standard-setting.

IESBA rating: 4 Slightly increasing in importance

Adoption of the Code is uneven across jurisdictions and is a more significant source of fragmentation. Further expansion of the Code risks increasing divergence if usability and operability are not addressed.

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## **B.3 Changes in the Geopolitical and Regulatory Landscape – Call for Greater Agility in Standard Setting**

0 – I do not agree that this is a trend to be considered

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### **Please explain why you do not believe this should be considered a relevant trend for the SSBs:**

We do not support the idea that greater agility in standard setting is required if this implies more frequent updates or additional standards. Standard setters should instead prioritise simplification, usability, and implementation of existing standards. Quick fixes that do not stand the test of time do not lead to durable and robust standard setting that provides a stable platform for the profession and wider ecosystem.

IAASB rating: 0 I do not agree that this is a trend to be considered

There is already a significant volume of standards, which are increasingly complex and difficult to implement. More frequent updates would worsen this situation. Greater agility should instead focus on non-authoritative material, practical examples and timely support.

IESBA rating: 0 I do not agree that this is a trend to be considered

The Code should remain stable, and principle-based. Recent developments have made the Code increasingly rules-based, moving away from its original principles-based foundation. Greater agility should instead focus on non-authoritative material, practical examples and timely support.

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### **Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?**

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## **B.4 Changes in the Geopolitical and Regulatory Landscape – Greater Diversity of Voices Sought**

0 – I do not agree that this is a trend to be considered

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### **Please explain why you do not believe this should be considered a relevant trend for the SSBs:**

While diversity of perspectives is valuable, this is not a new concept and should not be presented as such. There is already extensive engagement, including numerous roundtables and consultations.

The priority should not be more outreach, but more effectively use of the output. In particular, greater emphasis should be placed on properly analysing and reflecting the balance of stakeholders' feedback, including from the accountancy profession as the buy-in of those applying the standards is crucial.

There is also a need for more balanced and inclusive formats, such as multi-stakeholder discussions, which allow different perspectives to be heard and challenged in a single forum.

In addition, the board composition of SSBs should include a wide variety of stakeholders, including the profession.

IAASB rating: 0 I do not agree that this is a trend to be considered

IESBA rating: 0 I do not agree that this is a trend to be considered

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**Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?**

## 8. SECTION IV: KEY TRENDS IMPACTING THE SSBs

### **C.1 Evolving Expectations Concerning Sustainability Information – Continuing Demand for Sustainability Reporting and Assurance**

3 – Slightly decreasing in importance

**Please explain why you do not believe this should be considered a relevant trend for the SSBs:**

**Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?**

IAASB rating: 3 Slightly decreasing in importance

We acknowledge that ISSA 5000 is an important global development and provides a comprehensive, principles-based framework for sustainability assurance. However, the current trend in the EU and elsewhere for more simplification, de-burdening or deregulation clearly demonstrates a fundamental challenge regarding the support for ESG and thus the adoption and implementation of sustainability standards.

While ISSA 5000 is expected to be used as a reference point, the European Commission is considering potential EU add-ons and carve-outs. This means that ISSA 5000 may not be applied directly in the EU.

IESBA rating: 3 Slightly decreasing in importance

The Code already provides a robust basis for addressing ethical considerations, and further expansion risks adding complexity without clear benefit.

In particular, the potential development of standards for all preparers of sustainability information represents a significant extension beyond the IESBA's remit. The Code is designed for professional accountants, and expanding it to non-professional accountants risks overreach, unclear applicability and limited enforceability. This is more appropriately the domain of regulators and policymakers rather than a global ethics standard setter for professional accountants.

This concern is reinforced by the experience with the recently issued sustainability-related provisions (IESSA), where there are clear concerns regarding adoption, usability and practical impact. Before considering further expansion the IESBA should assess whether existing standards are being effectively adopted and implemented, and should only consider professional accountants in accordance with their remit.

In addition, the European Commission does not plan to adopt the IESBA Code of Ethics nor its dedicated sustainability standards and it is currently unclear whether audit firms will adopt these new sustainability standards. There are lessons to be learnt by IESBA, one of which could be the potential for revision of these standards.

### **C.2 Evolving Expectations Concerning Sustainability Information – Regulatory and Geopolitical Changes**

1 – Strongly decreasing in importance

**Please explain why you do not believe this should be considered a relevant trend for the SSBs:**

**Do you wish to highlight any matters relating to this trend or identified impacts,**

## or any additional impacts, for the IAASB or IESBA or both the SSBs?

IAASB rating: 1 Strongly decreasing in importance

Evolving expectations concerning sustainability information are primarily driven by regulatory and geopolitical developments. Similar discussions around regulatory change and increasing expectations have existed for many years. From an IAASB perspective, this is not something that can be directly addressed through standard setting. These developments are driven by legislators and regulators, and standard setters can only react at a very limited level.

IESBA rating: 1 Strongly decreasing in importance

From an ethics perspective, these developments do not fundamentally change the need for a principles-based approach. On the contrary, the increasing pace of regulatory and geopolitical change reinforces the importance of having a stable, principles-based Code that can be applied in different situations.

## 9. SECTION IV: KEY TRENDS IMPACTING THE SSBs

### D.1 Evolving Structure and Business Models of Accounting Firms – Alternative Ownership Structures

4 – Slightly increasing in importance

**Please explain why you do not believe this should be considered a relevant trend for the SSBs:**

**Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?**

IAASB rating: 2 Decreasing in importance

This topic does not fall within the remit of auditing standard setting.

The structure and ownership of accounting firms are matters defined by law and regulation, not by auditing standards. IAASB cannot meaningfully address these developments through standard-setting. However, coordination with the IESBA may be important to ensure consistent treatment of related risks from an audit perspective.

IESBA rating: 4 Slightly increasing in importance

IESBA has already taken initial steps in this area, including the publication of material such as staff alerts addressing alternative practice structures and private equity involvement. This work is useful and relevant, as it highlights key risks, particularly around independence, and provides a basis for further consideration. However, coordination with the IAASB may be important to ensure consistent treatment of related risks from an audit perspective.

There is increasing concern from regulators, including on specific matters such as the ability of firms to audit entities within the same private equity fund also holding a stake in the audit firm. Some regulators have already indicated that such situations may not be acceptable, even where current rules do not explicitly prohibit them. This suggests that certain aspects of the current framework, such as definition and scope of network firms, may not fully capture the risks arising from alternative practice structures.

In this context, rather than expanding the Code more broadly, consideration could be given to targeted revisions, including a review of the network firm definition, to better reflect these developments. In addition, enhanced coordination between the IESBA and IAASB would be beneficial to ensure a consistent and coherent approach across ethics and audit frameworks.

In addition, Accountancy Europe has contributed to this discussion with two papers:

<https://accountancyeurope.eu/publications/private-equity-investments-in-accountancy-firms/>

<https://accountancyeurope.eu/publications/beyond-private-equity-third-party-ownership-in-the-accountancy-and-audit-sector/>

### D.2 Evolving Structure and Business Models of Accounting Firms – Increased

## **Involvement of Non-Professional Accountants in the Accounting and Auditing Profession**

4 – Slightly increasing in importance

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**Please explain why you do not believe this should be considered a relevant trend for the SSBs:**

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**Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?**

IAASB rating: 1 Strongly decreasing in importance

This topic does not fall within primary remit of auditing standard setting. The structure, ownership and composition of accounting firms are primarily determined by national legal and regulatory frameworks, rather than auditing standards.

However, evolving firm structures and the increasing involvement of non-professional accountants may have implications for audit quality, particularly in relation to governance and the operation of systems of quality management. In this respect, a joint IAASB and IESBA approach is important to ensure that any implications for independence and firm structures are addressed consistently.

IESBA rating: 4 Slightly increasing in importance

The increasing involvement of non-professional accountants in accounting firms and the evolution of firm structures raise important considerations for independence, governance and oversight. While the presence of multidisciplinary teams within firms is not new, evolving ownership and influence structures may create new or more pronounced risks.

In this context, there is a need to assess whether the current framework sufficiently captures these risks. In particular, consideration could be given to whether the definition and scope of network firms adequately reflect modern firm structures and the potential influence of non-accountants.

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## **D.3 Evolving Structure and Business Models of Accounting Firms – Challenges to Attracting and Retaining Talent**

0 – I do not agree that this is a trend to be considered

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**Please explain why you do not believe this should be considered a relevant trend for the SSBs:**

Challenges related to attracting and retaining talent in the profession are acknowledged. However, this topic does not fall within the remit of global audit or ethics standard setting.

The attractiveness of the profession is influenced by a range of factors, including firm culture, workload, organisational practices, regulatory environment and broader market expectations. These are primarily matters for firms, professional bodies and regulators, rather than standard setters.

While auditing and ethical standards may have an indirect impact, for example through their complexity and practical application or simplification of standard, they are not the root cause of talent-related challenges. SSBs should think or test their standards to see if it is written and organised in a way that is meaningful for a young generation.

IAASB rating: 0 I do not agree that this is a trend to be considered

IESBA rating: 0 I do not agree that this is a trend to be considered

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**Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?**

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## D.4 Evolving Structure and Business Models of Accounting Firms – Non-Assurance Service Line

1 – Strongly decreasing in importance

**Please explain why you do not believe this should be considered a relevant trend for the SSBs:**

**Do you wish to highlight any matters relating to this trend or identified impacts, or any additional impacts, for the IAASB or IESBA or both the SSBs?**

This topic should not lead to further expansion of standards. The provision of non-assurance services is already addressed through existing frameworks, and recent revisions have significantly increased requirements in this area. The priority should be on post-implementation reviews of recent changes (e.g. NAS and fee-related provisions) to assess whether they remain proportionate, effective and operable in practice.

This topic should be closely monitored going forward, particularly in light of changes in ownership structures.

IAASB rating: 1 Strongly decreasing in importance

IESBA rating: 1 Strongly decreasing in importance

### 10. SECTION IV: KEY TRENDS IMPACTING THE SSBs - OTHER TRENDS AND RANKING

**6. Are there trends or related areas or matters that you believe the SSBs should consider that are not covered? If so, please provide details.**

Yes

#### Additional trends

**Please number your additional trend (O.1, O.2, O.3, ...)**

O.1

**Please describe the additional trend**

Increased reliance on third-party information and need for more responsive, practical guidance

**On a scale of 1 to 6, indicate the extent to which you believe this trend will increase or decrease in importance for the SSBs for their next strategy period starting in 2028.**

4 – Slightly increasing in importance

**Do you wish to explain your rating or highlight any matters relating to this trend for the IAASB, IESBA, or both the SSBs?**

There is a growing trend towards increased reliance on information from third parties, driven by developments in technology, data ecosystems and extended value chains (e.g. sustainability reporting and supply chain data). This

raises important considerations for both audit and assurance, including the reliability of external data sources and the appropriate level of assurance over such information. This trend is relevant both for reporting entities and practitioners themselves and their own quality management systems.

While this topic is relevant to the IAASB, we do not consider that it necessarily requires the development of new standards at this stage. Existing principles-based frameworks should be capable of addressing these developments as well as more timely, practical and non-authoritative guidance, including use cases and examples, to support consistent application in practice.

This trend is primarily relevant to the IAASB. Efforts to identify solutions for optimising the application of existing assurance standards would be helpful. We also see potential for exploring ways of better sharing assurance reporting within networks and the broader reporting ecosystems to enable quality and efficiency improvements.

## **Please number your additional trend (O.1, O.2, O.3, ...)**

O.2

## **Please describe the additional trend**

Adoption, implementation and trust in global standards

## **On a scale of 1 to 6, indicate the extent to which you believe this trend will increase or decrease in importance for the SSBs for their next strategy period starting in 2028.**

4 – Slightly increasing in importance

## **Do you wish to explain your rating or highlight any matters relating to this trend for the IAASB, IESBA, or both the SSBs?**

A key area for further focus is the adoption and implementation of standards across jurisdictions. There are increasing signs of fragmentation, with some jurisdictions not adopting, or only partially adopting, recent standards. Understanding the reasons for this lack of adoption would be highly valuable, as it may highlight challenges related to complexity, operability or relevance in practice.

Rather than relying solely on formal post-implementation reviews, standard setters could consider more targeted and timely engagement with profession, national standard setters and regulators to identify barriers to adoption. This could support a more effective and globally consistent framework.

## **Please number your additional trend (O.1, O.2, O.3, ...)**

O.3

## **Please describe the additional trend**

Expansion of standard-setting beyond core mandate – topic that should not be prioritised

## **On a scale of 1 to 6, indicate the extent to which you believe this trend will increase or decrease in importance for the SSBs for their next strategy period starting in 2028.**

4 – Slightly increasing in importance

## **Do you wish to explain your rating or highlight any matters relating to this trend for the IAASB, IESBA, or both the SSBs?**

We consider that both the IAASB and IESBA should avoid further expanding their activities into areas that fall outside their core mandates. Recent discussions and projects suggest a trend towards addressing topics such as firm culture, governance structures or broader preparer-related matters, including extension of ethical requirements beyond professional accountants (e.g. to roles such as CFOs who are not professional accountants). These topics are more appropriately addressed by firms or other stakeholders.

We therefore encourage both Boards to place greater emphasis on prioritisation, including identifying areas where less work is needed, and to focus their efforts on their core responsibilities in audit, assurance and ethics standard setting.

## **7. Based on your evaluation of the identified trends, please rank what you believe are the TOP FIVE most important trends for the SSBs to consider for their next strategy period starting in 2028.**

Rank 1 : A.1

Rank 2 : A.3

Rank 3 : B.2

Rank 4 : D.1

Rank 5 : O.2

## **11. SECTION V: AREAS FOR JOINT ACTIONS IN SSBs' WORK PLANS**

### **8. Please share your views about areas of common interest and possible joint or parallel work plan topics (e.g., standard-setting or non-authoritative materials), or other initiatives or activities.**

Both Boards should focus on improving implementation, adoption and usability of existing standards, including through more targeted post-implementation reviews and better use of stakeholder's feedback. Greater weight should be given to input from the profession, as the primary users responsible for applying the standards in practice.

Parallel efforts should be avoided; work should be joint or separate.

Overall, joint efforts should prioritise guidance, implementation support and simplification, rather than the development of new standards.