

## 2. SECTION I: ABOUT THE RESPONDENT

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### 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:

The Association of Chartered Certified Accountants (ACCA)

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

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

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

IFAC Member Body or Other Professional Accountancy or Professional Organization

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

#### Please specify:

IFAC Member Body or Affiliate

#### Please specify:

#### 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:**

Global

**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).**

Serving the public interest is the core mandate of the SSBs and is embedded in their standard-setting activities. Therefore, the aspiration for the 2028–2031 period should focus on how this mandate is most effectively delivered in practice.

In this regard, the primary focus should be on developing standards that are fit for purpose. This includes ensuring that standards are responsive to emerging developments, scalable and proportionate to different types of entities and engagements, and sufficiently clear to support consistent application. Achieving these attributes will, in turn, support broader adoption and enhance the overall impact of the standards.

Equally important is the SSBs' role in supporting effective implementation. Without adequate implementation support, even high-quality standards may not achieve their intended outcomes. Continued efforts to provide guidance, address implementation challenges, and engage with stakeholders will therefore be critical to ensuring that the benefits of standard-setting are fully realised in practice.

Finally, ongoing engagement with a broad range of stakeholders remains essential to ensure that the SSBs' activities remain relevant and responsive to evolving market needs. In doing so, the SSBs should seek to consider and address the full spectrum of stakeholder perspectives and practical challenges, thereby reinforcing their ability to serve the public interest.

Overall, early identification of areas of common interest and continued coordination between the SSBs will be important to ensure that their respective outputs remain interoperable, practical, and effective in serving the public interest.

## 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 importance of emerging technologies, including AI-enabled tools and other innovations, is expected to continue to increase over the next strategy period. These developments are reshaping how audits and assurance engagements are performed and raise new considerations relating to audit evidence, professional judgment, and risk assessment.

From an IAASB perspective, while there is already ongoing work addressing technology-related matters in light of the Technology Position adopted in 2024, the change suggests a continued need for monitoring, targeted enhancements, and the potential development of guidance to support consistent application in practice.

From an IESBA perspective, recent revisions addressing technology-related considerations provide an important foundation and represent a positive step in responding to emerging developments. However, given the rapid pace of technological change and increasing use of AI-enabled tools, continued monitoring and consideration of evolving ethical implications will remain important.

Areas that may warrant further attention include professional competence and due care, objectivity, professional judgment, and potential over-reliance on automated tools and outputs. In addition, evolving risks relating to financial crime, cybersecurity, and changing business and governance models may give rise to further ethical and independence considerations over time.

At this stage, a period of implementation experience, monitoring, and post-implementation review may be appropriate to assess whether the recent revisions remain fit for purpose, whether NAM support may be needed before considering further standard-setting.

Overall, this trend is expected to remain a significant and evolving driver for both Boards, requiring a combination of standard-setting, non-authoritative materials, and implementation support.

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

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?**

The importance of digital assets is expected to continue to increase over the next strategy period, although this trend is not new and its relevance varies across jurisdictions. The rapid growth of digital assets, including cryptocurrencies, tokenised securities and decentralised finance, is creating genuinely new audit, assurance and ethical and independence challenges for the profession. Regulatory frameworks are still catching up, and in that gap accountants face real uncertainty around valuation, disclosure and client accountability. IAASB and IESBA have a role to play in ensuring the audit and assurance standards and ethical guidance keep pace with the financial reporting landscape that looks fundamentally different to the one it was designed for.

Developments in this area are largely driven by financial reporting and regulatory frameworks, particularly the IFRS standards developed by the International Accounting Standards Board (IASB), however, they continue to have implications for audit, assurance, and ethics.

From an IAASB perspective, digital assets may give rise to specific challenges relating to audit evidence, valuation, and custody arrangements, particularly in the context of blockchain-based systems. These may require targeted guidance or incremental updates to existing standards.

From an IESBA perspective, considerations may arise in relation to professional competence and due care, especially where specialised knowledge is required, as well as potential risks associated with evolving business models.

Overall, while this trend is relevant, SSBs should focus on monitoring the developments of regulatory and financial reporting frameworks whilst simultaneously assessing the implications for audit, assurance and ethics and their future work as a result.

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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?**

Technology-enabled financial crime is primarily addressed through regulatory and enforcement frameworks; however, it continues to have implications for audit, assurance, and ethics.

From an IAASB perspective, the increasing complexity of such risks may affect fraud risk assessment, audit procedures, and the exercise of professional scepticism. In a world driven by GenAI, and other emerging technologies, SSBs should consider implications for reliability and authenticity of audit evidence, particularly in relation to third-party sources.

The ISA 240 (Revised) has been recently revised with an effective date beginning on or after December 15, 2026. Given the pace of technological developments, a post implementation review of the standard would provide a useful mechanism to assess whether further enhancements are needed once it has been applied in practice for a few years.

Furthermore, in light of IAASB's ongoing on audit evidence standards (ISA 500 series), the Board should continue to monitor the technological developments and consider whether additional guidance is required to support consistent implementation.

From an IESBA perspective, evolving risks may raise considerations relating to integrity, professional behaviour, and the responsibilities of professional accountants in responding to potential non-compliance with laws and regulations, including in contexts where technology may facilitate or obscure such activities.

This trend is expected to increase in importance and evolving driver for both Boards in light of the rapid evolution in technology, requiring a combination of standard-setting, non-authoritative materials, and implementation support.

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

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### 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?**

Regulatory changes are an ongoing feature of the environment and are expected to increase modestly in importance over the next strategy period.

While such developments are outside the direct remit of the SSBs, they continue to influence audit, assurance, and ethics practices, and therefore the application of international standards.

From an IAASB perspective, regulatory changes may require continued attention to alignment and interoperability, particularly in supporting consistent application across jurisdictions.

From an IESBA perspective, evolving regulatory frameworks may influence expectations relating to ethics and independence, especially where local requirements interact with the global Code.

The appropriate response may not necessarily involve new standard-setting, but rather ongoing monitoring, coordination with regulators and other standard setters, and the provision of guidance or support to facilitate consistent implementation.

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

5 – 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 risk of fragmentation is expected to increase in importance, driven by diverging regulatory approaches, regional priorities, and geopolitical developments.

In practice, challenges are already evident. For example, the application of certain standards and initiatives may vary across jurisdictions, and differences in adoption can lead to inconsistencies in practice.

From an IAASB perspective, issues such as the scalability and complexity of standards, and initiatives such as the ISA for LCE, highlight the importance of achieving global applicability while accommodating different environments.

From an IESBA perspective, differing levels of adoption and implementation of ethics and independence standards may contribute to fragmentation, particularly in emerging areas such as sustainability in light of IESSA.

Using digital assets as an example which is linked to Section A above, the regulatory landscape is shifting rapidly and in ways that are far from uniform. As jurisdictions move at different speeds and in different directions, the profession faces a genuinely new challenge. The divergence already emerging between the European Union's structured approach to digital asset regulation and the United States' evolving stance on stablecoins and crypto is not simply a technical or legal matter. It reflects deeper geopolitical tensions that have real implications for how professional accountants advise clients, assess risk and apply independence and ethical judgements across borders. A fragmented global regulatory environment creates inconsistency, uncertainty and potential gaps that bad actors can exploit. Both IESBA and IAASB have an important role to play here. IESBA must ensure the Code is equipped to guide professional accountants through this complexity, providing a principles-based ethical anchor at a time when rules-based frameworks are pulling in different directions. IAASB must equally consider how auditing and assurance standards hold up when the assets being reported on and assured do not yet have a consistent global regulatory definition or treatment.

Geopolitical developments and regional regulatory priorities may further reinforce these trends.

Addressing fragmentation may require continued emphasis on global coordination, interoperability, and support for adoption and implementation, rather than necessarily new standard-setting initiatives.

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

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 need for greater agility in standard-setting is expected to increase in importance, driven by the pace of change in areas such as technology and sustainability.

Stakeholders are increasingly expecting more timely and flexible responses to emerging issues, including through the use of non-authoritative materials, targeted updates, or other forms of guidance.

From an IAASB perspective, greater agility may support more responsive approaches to emerging challenges in audit and assurance, including the application of existing standards in evolving environments.

From an IESBA perspective, agility may be important in addressing emerging ethical considerations in a timely manner, particularly in areas where rapid developments create new risks or uncertainties.

This trend does not necessarily imply an increase in full-scale standard-setting projects, but rather a need for more adaptive approaches, including narrow-scope amendments, the development of guidance and other support materials to facilitate consistent application of standards.

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

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 importance of greater diversity of stakeholder perspectives is expected to increase, particularly given the global application of the SSBs' standards across a wide range of jurisdictions and practice environments.

Ensuring that a broad range of voices are appropriately reflected, including those from emerging economies and small- and medium-sized practices, is important to support the development of standards that are scalable, proportionate, and fit for purpose.

From an IAASB perspective, greater diversity of input may help address challenges relating to complexity and the applicability of standards across different types of entities and engagements.

From an IESBA perspective, it may support the global operability and acceptance of the Code, particularly in diverse legal and regulatory environments.

A more inclusive approach to stakeholder engagement may also contribute to improved adoption and implementation outcomes.

Overall, this trend highlights the importance of ensuring that stakeholder engagement processes continue to capture a balanced range of perspectives in a consistent and transparent manner.

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

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

4 – Slightly increasing in importance

#### **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 demand for sustainability reporting and assurance is expected to continue to increase in importance over the next strategy period, although the pace and extent of regulatory developments may vary across jurisdictions.

While recent regulatory recalibrations in certain jurisdictions may influence the timing and scope of implementation, the underlying demand from investors and other stakeholders for reliable sustainability information is expected to remain strong.

From an IAASB perspective, the focus in the near term may appropriately be on supporting the implementation of ISSA 5000, including the development of guidance and addressing emerging application challenges, while monitoring the need for future standard-setting.

From an IESBA perspective, priority may be given to supporting the adoption and implementation of the International Ethics Standards for Sustainability Assurance (IESSA), before considering further standard-setting initiatives in this area.

Overall, this trend is expected to remain an important driver for both Boards, with emphasis on implementation, adoption, and consistency rather than immediate expansion of the standard-setting framework.

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

Regulatory and geopolitical developments relating to sustainability are expected to increase modestly in importance, although the trajectory may be uneven across jurisdictions.

Recent developments indicate a degree of recalibration in certain regions, such as the European Union, which may affect the pace and scope of sustainability reporting and assurance requirements. At the same time, differing approaches across jurisdictions may contribute to increased complexity and uncertainty.

From an IAASB perspective, these dynamics may affect the implementation and application of sustainability assurance standards across different regulatory environments.

From an IESBA perspective, varying regulatory approaches may influence the adoption and consistent application of ethics and independence standards in this area.

Overall, this trend highlights the importance of monitoring developments and supporting consistent implementation, rather than necessarily driving immediate new standard-setting initiatives.

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

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

5 – 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 emergence of alternative ownership structures, including increased private equity investment in accounting firms, is expected to increase in importance bringing implications for audit, assurance, and ethics.

These developments may influence firm governance, culture, and incentives, with potential impacts on audit quality and the public interest role of the profession.

From an IAASB perspective, this trend may have implications for quality management at the firm and engagement level, including leadership, governance, and the management of risks to audit quality.

From an IESBA perspective, alternative ownership structures may give rise to new or heightened threats to independence and ethical behaviour, including conflicts of interest and pressures arising from investor expectations.

Addressing these issues may require continued monitoring, guidance, and potentially targeted enhancements, rather than necessarily broad new standard-setting initiatives.

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## **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?**

The increasing involvement of non-professional accountants in accounting and auditing firms is an important trend and is expected to increase modestly in importance over the next strategy period.

The growing use of multidisciplinary teams, including specialists in areas such as technology, data science, and sustainability, reflects the evolving nature of audit and assurance engagements.

From an IAASB perspective, this trend may have implications for the use of experts, supervision and review processes, and quality management at both the firm and engagement levels.

From an IESBA perspective, it may raise considerations regarding the application of ethical principles by individuals who are not professional accountants, including issues related to awareness, training, and accountability within multidisciplinary environments.

Addressing these matters may primarily involve guidance and support for implementation, rather than the need for significant new standard-setting initiatives.

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

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?**

Challenges in attracting and retaining talent are expected to continue to increase in importance, although their impact on the SSBs is primarily indirect.

Talent pressures may affect the capacity of firms to consistently apply standards, particularly where engagements require increasingly specialised skills. In addition, the complexity of standards may influence perceptions of the profession and the ability to attract and retain talent.

From an IAASB perspective, this may reinforce the importance of developing standards that are scalable, understandable, and capable of being applied effectively across different environments.

From an IESBA perspective, it may highlight the need to support awareness and consistent application of ethical principles across a changing workforce.

Addressing this trend is likely to involve continued attention to usability and implementation support, rather than direct standard-setting responses.

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

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?**

The continued growth of non-assurance services is expected to increase moderately in importance and could have implications for independence, audit quality, and public trust in the profession.

The expansion of non-assurance service offerings, alongside evolving firm business models, may give rise to new or heightened threats to independence, as well as increased scrutiny from stakeholders.

From an IESBA perspective, this trend is particularly relevant, as it directly relates to the robustness and application of independence and ethical requirements, including the identification and management of conflicts of interest and self-review threats.

From an IAASB perspective, while independence requirements are outside its direct remit, the perception and reality of independence are fundamental to audit quality and confidence in audit outcomes.

Addressing this trend may involve continued monitoring, post implementation reviews, guidance, and targeted enhancements, as well as a focus on consistent application, rather than necessarily broad new standard-setting initiatives.

## **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 Increasing Complexity and Understandability of Standards

**Please describe the additional trend**

The increasing volume, complexity, and interconnectedness of international standards may create challenges for consistent interpretation, implementation, and scalability across different jurisdictions and types of firms and engagements. Ensuring that standards remain understandable, operable, and proportionate will continue to be important in supporting audit and assurance quality, ethical compliance, and broader global adoption.

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**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

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

From an IAASB perspective, this trend is reflected in ongoing discussions relating to scalability, implementation challenges, and the operability of increasingly interconnected auditing, quality management, and sustainability assurance standards. Recent and ongoing initiatives, including the ISA for Less Complex Entities and post-implementation activities relating to revised standards such as ISA 315 and ISA 540, further highlight the importance of considering complexity and practical application in standard-setting activities.

From an IESBA perspective, increasing complexity may arise through the growing interconnectedness of ethical, independence, and sustainability-related requirements, as well as the challenges of applying the Code consistently in multidisciplinary and evolving business environments. As the Code continues to expand to address emerging topics, maintaining clarity, navigability, and operability will remain important to support effective implementation and consistent application in practice.

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

O.2 Implementation Fatigue

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**Please describe the additional trend**

The increasing pace, volume, and interconnectedness of standard-setting and regulatory developments creates implementation and operational challenges for firms, practitioners, regulators, and other stakeholders. As standards continue to evolve in response to emerging developments such as sustainability reporting, technology, and changing business models, consideration may increasingly be needed regarding prioritisation, sequencing, scalability, transition periods, translation, and implementation support to help ensure that changes are capable of being effectively and consistently embedded in practice across different jurisdictions and practice environments.

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**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

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**Do you wish to explain your rating or highlight any matters relating to this**

## **trend for the IAASB, IESBA, or both the SSBs?**

From an IAASB perspective, this trend may be particularly relevant given the significant volume of recent and ongoing developments across auditing, quality management, and sustainability assurance standards. While these initiatives respond to important public interest needs, sufficient time for implementation experience, translation, monitoring activities, and post-implementation review may be important to assess whether the standards are operating as intended in practice and to support consistent application across jurisdictions and firms of different sizes and complexity.

From an IESBA perspective, the increasing breadth of ethical and independence-related developments, including sustainability-related initiatives and technology-related revisions, may similarly create challenges regarding implementation, operability, and consistent application. This may be particularly relevant in jurisdictions and practice environments where translation, adoption, and interaction with local ethical or regulatory frameworks require additional time and implementation support. In this context, continued focus on implementation support, monitoring, and evidence-based assessment of emerging issues may help ensure that the Code remains clear, proportionate, and capable of effective application across different jurisdictions and practice environments.

## **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 Digital Transformation – Increasing Use of Emerging Technologies

Rank 2 : A.3 Digital Transformation – Financial Crimes Enabled by Technology

Rank 3 : B.2 Changes in the Geopolitical and Regulatory Landscape - Risk of Fragmentation

Rank 4 : B.3 Changes in the Geopolitical and Regulatory Landscape - Call for Greater Agility in Standard Setting

Rank 5 : D.1 Evolving Structure and Business Models of Accounting Firms - Alternative Ownership Structures

## **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.**

We welcome this joint initiative by the IAASB and the IESBA, which responds to stakeholder feedback calling for enhanced coordination between the SSBs. We strongly support the IAASB and IESBA in launching a coordinated strategic planning process under the reformed governance structure. This is an ambitious and important step towards a more connected and responsive international standard setting system, one better equipped to address the increasing interdependence of audit, assurance and ethics issues. Bringing the two boards into closer strategic dialogue creates meaningful opportunities to anticipate emerging challenges, strengthen public confidence and articulate a clearer long-term vision for the profession. We also recognise that this initiative requires both careful design and careful execution. From a stakeholder perspective, responding to a single coordinated survey has itself required thoughtful navigation, particularly where differing mandates and priorities can lead to different responses depending on the issue under consideration. Preserving the distinct role, perspective and stakeholder focus of each board while building greater strategic alignment will require sustained collaboration, clarity of purpose and mutual trust. That tension is not a weakness of the model; it is part of what gives the initiative its value. Past developments have highlighted the importance of continued and consistent alignment in areas of shared relevance. For example, projects such as the IESBA's use of the work of external expert and the definition of listed entity and public interest entities, demonstrate the need for coordinated approaches to ensure clarity, consistency, and interoperability between auditing and ethical requirements.

From a public interest perspective, there are several areas where enhanced coordination between the IAASB and IESBA would be beneficial, whether through standard-setting, non-authoritative materials, or other forms of guidance and support.

#### 1. Use of Emerging Technologies (including AI):

The increasing use and advancement of emerging technologies raises both audit/assurance and ethical considerations. Coordinated efforts help ensure alignment between requirements relating to audit evidence, professional judgment, and application of the fundamental principles, such as objectivity and professional competence. There is a clear opportunity for the boards to lead proactively by developing complementary non-authoritative guidance and updated standards where required that help practitioners better understand and apply these requirements consistently, confidently and with the public interest firmly at the centre.

#### 2. Firm Structures, Ownership Models:

The evolution of firm business models, including the emergence of alternative ownership structures, raises interconnected issues relating to audit quality, independence, and public trust. Joint consideration of these areas could help ensure that quality management, audit requirements, and ethical standards remain coherent and responsive to these developments.

#### 3. Agility in Standard-Setting and Use of Non-Authoritative Materials:

There is a growing need for more timely and flexible responses to emerging issues. The SSBs may benefit from exploring coordinated approaches to the development of non-authoritative materials, targeted updates, and other agile mechanisms. Aligning approaches in this area could enhance consistency and responsiveness across both Boards.

#### 4. Sustainability Reporting and Assurance:

Given the strong interrelationship between assurance standards and ethics, continued collaboration will be essential to support high-quality and globally consistent sustainability assurance engagements. In the near term, this may primarily involve coordinated implementation support, monitoring of emerging issues, and ensuring interoperability between ISSA 5000 and the IESSA, rather than additional standard-setting.

#### 5. Supporting Adoption, Implementation, and Global Consistency:

Given the diversity of jurisdictions and practice environments, continued collaboration in supporting adoption and implementation will be critical. This includes ensuring that standards are scalable and capable of being applied effectively across different contexts, and that stakeholder engagement processes reflect a broad and balanced range of perspectives.

Overall, early identification of areas of common interest and continued coordination between the SSBs will be important to ensure that their respective outputs remain interoperable, practical, and effective in serving the public interest.