

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:

BusinessEurope

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

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

Other

Please specify the type of accounting firm:

Please specify:

Please specify:

Please specify:

2. Please specify:

European Business Federation (Preparers)

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).

For the 2028–2031 strategy period, the standard-setting boards should remain relevant, globally operable, practical oriented and forward-looking. The standard setting boards should be focussed on whether the standards are and remain operable and proportionate for the businesses that rely on audit and assurance services, while ensuring that the standards continue to serve the public interest and respond to the needs of users of the assured information.

To achieve this, the SSBs should

- Holistically consider the need for amendments in the standards to address the changes in global landscape beyond the topics addressed. Audit- and ethical standards should be sufficiently robust and adaptable to for instance address digital developments without the need for ongoing changes.
- Remain relevant by responding in a timely, practical and proportionate manner to major developments affecting audit, assurance and ethics, including digital reporting infrastructure, new reporting models, evolving firm structures and geopolitical developments.
- Preserve a globally operable set of standards by remaining closely connected to regional and jurisdictional developments, thereby reducing the risk of fragmentation, carve-outs and unnecessary local divergence.
- Support more efficient and proportionate assurance services by reducing unnecessary compliance burden, enabling the

effective use of technology and reinforcing a risk-based approach grounded in professional judgment rather than process-heavy, tick-the-box requirements. This should be founded in a stronger focus on efficiency and cost-effectiveness in the delivery of audit and assurance services and a clear focus on the practical use of technology to improve audit quality, reduce unnecessary compliance burdens and enable a more risk-focused approach.

- Ensure that ethics and independence standards remain fit for purpose as technology, multidisciplinary teams and business models evolve, while continuing to protect confidence in the quality and objectivity of assurance services. This could be supported by a clearer and continuous articulation of the ethics implications arising from new developments and how the current standards and Code are intended to address the
- Improve the agility of standard setting and shorten time-to-market where appropriate, without weakening due process, external consultation or the quality of stakeholder input.

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 rapid development and adoption of emerging technologies is reshaping how information is generated, processed and assured. This is driving a fundamental change in data handling (both at the level of the preparer, the users and in the audit processes themselves), audit evidence and the design of assurance procedures. The implications include both threats and opportunities, with relevance for efficiency, audit quality, competence and ethical oversight. It is important that this is addressed constructively and that it results in a change in approach rather than an addition of new requirements.

Hence, it should warrant a more fundamental review of the processes and the standards

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?

Audit and ethical standards should be sufficiently robust and adaptable to also address digital developments such as digital assets and related market infrastructure. The key impact is less about prescribing detailed processes and more about ensuring that practitioners understand the underlying developments and can respond appropriately, using the relevant tools in the toolbox.

As global economies evolve, targeted guidance or practice statements may in some cases be more useful than immediate standard-level changes, providing faster response to the market while safeguarding the quality of the standards and principles.

A.3 Digital Transformation – Financial Crimes Enabled by Technology

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?

Technology-enabled financial crime creates new risks through speed, scale and distance, and may weaken traditional forms of external validation or supposed third-party verification. This has direct implications for audit evidence, fraud risk assessment, and the need to understand the business model, systems and control environment more deeply.

Cybersecurity risks—both within the audit firm and at the client—will also remain highly relevant. Over time, developments such as quantum computing may also affect encryption, authentication and the reliability of certain forms of digital evidence.

Responding to this would require close stakeholder engagement and rapid communication by the SSB's to the market, indicating that other methods than standard setting may be required – again building on the principles-based nature of the standards. This in turn requires less mandatory process-requirements and more focus on professional scepticism and competence to remain relevant and cost-effective

7. SECTION IV: KEY TRENDS IMPACTING THE SSBs

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

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?

Regulatory change increases the importance of keeping standards practical and proportionate, with a clear focus on reducing unnecessary burden for businesses and assurance providers alike as also indicated in the analysis. It is important to understand that "audit evidence requirements" trigger corresponding detailed documentation requirements on the audit clients. Therefore amendments and new requirements should be introduced under consideration of removal and/or amendments of prior requirements.

The boards should continue to pursue simplification and decluttering that helps shift practice away from tick-the-box compliance (where costs automatically trickle down) and towards a stronger understanding of the business, the risks and the proper exercise of judgement and professional scepticism.

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?

We agree with the short analysis and believe the risk of fragmentation should be addressed through stronger regional outreach and more active engagement with jurisdictions in order to counterbalance the tendency and/or need to diverge from international alignment.

Therefore, to remain the global baseline, the boards need to be proactive, responsive and relevant, thereby reducing the likelihood of carve-outs or local variations. This is linked to the response provided above.

An important element to counter the risk of fragmentation is to ensure that the SSB's retains "Framework neutrality" in their approach to ensure the applicability of the standards to local reporting frameworks, local GAAPs, etc. This is in our view a fundamental premise for the continued success of the SSB's

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

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 SSB's should take the call for greater agility serious to remain relevant. The increased requirement to react timely is a matter of fact that the SSBs need to adjust to. To achieve this, the boards should internally make efficient use of technology and process improvements to shorten development and implementation timelines where possible.

At the same time, agility should not come at the expense of proper outreach, public consultation and due process, and hence a mix of products (from standard setting initiatives to practice statements, staff guidance and other ways of engagement) may support the call for greater agility.

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

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 boards should explore more effective ways of obtaining meaningful stakeholder input, including cooperation with regional and global outreach activities led by other standard setters and relevant organisations. It could be considered whether an assurance-related debate and/or outreach could be planned next to other events or meetings, hence reducing the travel costs

for the participants and making the outreach more effective.

Another avenue to explore is whether more structured and accessible engagement formats, including shorter and more targeted online outreach, could help broaden participation. It is also important to recognise the increasingly diverse backgrounds of users, auditors and other assurance providers when designing future outreach and standards, underlining the potential in working together with other standard setters and/or relevant events.

8. SECTION IV: KEY TRENDS IMPACTING THE SSBs

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:

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?

By 2028, sustainability assurance should have matured into a more established part of the broader assurance landscape, with many jurisdictions and companies having moved beyond the initial implementation phase. This points to a need for post-implementation review and for practical refinement based on experience gained in applying the standards.

A key practical issue will be the application of materiality within assurance processes, including how effort is allocated across different elements of sustainability reporting so that work remains focused on the matters that are most important. Contrary to financial assurance, this implies allocation across different types of impacts, risks and opportunities without necessarily comparable numerical / quantitative indicators across the topics, but which in a European context is supported by a double materiality analysis.

As reporting frameworks evolve, practice statements or implementation support may often be preferable to extensive new requirements, particularly where existing principles already provide an adequate foundation.

Another key feature, is the continued need to focus on competence as this will remain central, including the ethical implications of ensuring that assurance teams have the right expertise.

Interconnectivity should not, in itself, become a separate standard setting project as consistency is already an inherent feature of assurance work and interconnectivity is primarily a reporting concept.

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?

The boards should continue to monitor regulatory and market developments closely and respond where emerging practice indicates a clear need. An aspect of this is the considerations of the ethical and practical consequences of increased transparency and new reporting expectations as sustainability reporting frameworks continue to evolve.

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 SSB's should continue to monitor the development in new ownership structures and the effect it may have. From our perspective, alternative ownership structures may have both positive and negative implications for the market.

Potential benefits include greater investment capacity in for instance new technology, innovation, new service models and the possibility of additional, global market entrants or entrants combining different industries.

Potential risks include effects of potential exit-strategies and possible effects on independence and long-term service quality. However, in the analysis it will be important to clearly identify whether the benefits and risks originate from the specific ownership model or whether they are more general and should be addressed more horizontally, including the ability to provide non-assurance services.

D.2 Evolving Structure and Business Models of Accounting Firms – Increased Involvement of Non-Professional Accountants in the Accounting and Auditing Profession

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?

This development is already well underway in practice. If supported by appropriate competence, ethics and oversight, broader multidisciplinary participation can strengthen the talent pool available to the profession.

The boards should therefore continue to treat this as an important premise when considering future standards and guidance.

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

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?

This is a very important issue for the profession as such, although it is not in itself a standard-setting issue. That said, standards that are more efficient, understandable, relevant and place more emphasis on the professional competence and exercise of professional judgement may contribute indirectly to making the profession more attractive. Hence we believe that this is an important trend and believe the SSB's need to carefully consider if – and how – the standard setting activities can contribute to this agenda.

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?

This continues to be an important element, both in terms of independence for the assurance provider but also in terms of securing access to relevant non-assurance services for the businesses. Continued monitoring is needed to understand how non-assurance service lines are evolving and what this means for independence, competence, service delivery and accessibility for the preparers/companies.

It should be noted, that while non-assurance services may create independence risks that need to be managed carefully, they can also deepen expertise that may enhance the quality of audit and assurance work for other clients. The standards should therefore balance the need for deepened and enhanced knowledge of new areas, e.g. on sustainability, and the ability to utilise new technologies with the independence and service that can be delivered by the audit firms.

Targeted practice statements or explanatory material may be useful in clarifying how new developments fit within the existing standards framework.

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, ...)

O1 Application and allocation of materiality in Sustainability Assurance work

Please describe the additional trend

Application and allocation of materiality in sustainability assurance work, including how materiality is determined and allocated across different topics and disclosures, particularly in the context of double materiality and fair presentation. Please also refer to the above comments under C.1

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.

6 – Strongly 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 practical issue is the application of materiality within assurance processes, including how effort is allocated across different elements of sustainability reporting so that work remains focused on the matters that are most important. Contrary to financial assurance, this implies allocation across different types of impacts, risks and opportunities without necessarily comparable numerical / quantitative indicators across the topics, but which in a European context is supported by a double materiality analysis. Preparers report this as a key topic of relevance in their discussions with auditors.

O1 is rated "6" as it is extremely important from an efficiency perspective

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

O2 Reporting infrastructure

Please describe the additional trend

Reporting infrastructure, including structured digital reporting such as XBRL and the broader move beyond static print or PDF-based reporting. Even though current reporting practices continuous to favour static reports, technology and trends move rapidly. Therefore in 2028-2031 more pressure on other ways of reporting – or the combination of static and online reporting – may be more evident.

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.

6 – Strongly 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?

The question is how to assure and communicate the assurance of for instance videos and webpages in order to ensure that the assurance industry will not pose as a hindrance for the developing of new reporting. Elements may include the use of "block-chain technology" for instance but could equally well factor in other technologies. Other factors to consider

is also a potential change to real-time reporting that we are seeing in certain specific areas, including the upcoming implementation of VIDA (VAT in the Digital Age) in Europe.

O2 is rated "6" as it may pose a structural hindrance for the innovation in financial reporting (O2) if not addressed

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

O3 PIE vs. Non-Pie and SMEs

Please describe the additional trend

A better articulation of differences and expectations between PIE's and NON-pie's including SMEs is needed. The comments above is generally based on an MNE perspective, but even though some of the themes are also relevant for SME's (and assurance on SMEs), the practical implications and availability of resources, data availability and use of technology will be different. Hence, it is important that the standards acknowledge this in order to also be relevant outside the PIE-market.

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.

5 – 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?

O3 is rated "5" as it is an important – but not new – area and hence should already be high on the radar screen of the SSB's

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 : B.1 Regulatory Changes
- Rank 2 : A.1 Increasing Use of Emerging Technologies
- Rank 3 : O1 Application and allocation of materiality in Sustainability Assurance work
- Rank 4 : O2 Reporting infrastructure
- Rank 5 : B.2 Risk of Fragmentation

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.

