

## 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:

Ernst & Young Global Limited

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

Amy King (EY Global Vice Chair – Professional Practice) and Steven Sheckell (EY Global Independence Leader)

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

Amy.King@eyg.ey.com and Steven.Sheckell@ey.com

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

Accounting Firm

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

Global Accounting Firm

#### Please specify:

#### 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).**

In response to this question, EY offers four overarching recommendations for what the IAASB and IESBA (the Boards) should collectively aspire to achieve as they look toward the 2028–2031 strategy period. Our themes focus on the Timeliness, Relevance, and Implementability, including consistent application and global operability, characteristics in the Public Interest Framework (PIF).

- Prioritize strengthening global adoption and consistent implementation of standards to enhance credibility, comparability, and public trust worldwide. This includes closely monitoring adoption rates and barriers, being transparent about how the Boards respond to stakeholder feedback, and providing timely, high-quality non-authoritative materials (NAM) (e.g., practical examples and illustrations) to support effective implementation in practice.

- Significantly enhance processes to become more coordinated and agile to keep pace with emerging issues while maintaining effective due process. For example, the Boards can consider joint participation on the IESBA's Trends and Risks Committee or create a single technology expert panel.

- Work with professional accountancy organizations (PAOs) through the International Federation of Accountants (IFAC), as well as jurisdictional standard setters (JSS) and regulators, to reduce fragmentation and support interoperability among auditing and assurance requirements, ethics and independence provisions, and jurisdictional regulation. This coordination should also

involve identifying and leveraging initiatives by these organizations to develop NAM to assist with implementation of standards. It is important that NAM issued by the Boards are interoperable across jurisdictions, particularly to avoid conflicts in the interpretation of the Boards' standards.

- Maintain a principles-based, "future proof" approach by developing NAM to help the profession navigate fast evolving developments. Issuing NAM rather than new standards will help the profession manage disruption effectively while reducing the risk of partial or non-adoption by jurisdictions if standards are deemed inconsistent with local market regulations, remits of jurisdictional standard setters or their views of public interest needs.

The following are eight considerations and actions to address the matters noted above that we would prioritize for the 2028-2031 strategy period:

1. Assess the rate of jurisdictional adoption of the IAASB standards and the IESBA International Code of Ethics for Professional Accountants (Including International Independence Standards) (the "IESBA Code") and develop responsive actions. Such an assessment should inform strategies to address present fragmentation and to mitigate the risk of future global divergence in the adoption of standards and projects under development by the Boards. As part of their assessment, the Boards should evaluate whether adoption is supplemented with jurisdictional requirements that are more restrictive than international standards. We also believe post implementation reviews of the large volume of recently issued standards should be a priority of both Boards.

2. Understand the risks to the continued viability of IAASB standards arising from the current adoption rates of the IESBA Code. The IAASB requires adherence to ethical requirements that are at least as demanding as the IESBA Code in conducting audit and assurance engagements in accordance with its standards. However, as fewer jurisdictions have adopted the IESBA Code and its scope has expanded significantly over the past decade, jurisdictions and firms may face compliance challenges if their local ethics codes do not reflect the latest revisions, potentially limiting their ability to apply IAASB standards.

3. Enhance due process, including the application of the PIF for selection of projects to be included in the Boards' work plans. Analyze the root cause of implementation issues and the extent to which the existing standards already would address such issues as well as obtain advance input from JSS and regulators on known barriers to the adoption of any projects, including whether certain projects are not in their local remits or would face significant legislative barriers for a jurisdiction to adopt. Given this comprehensive input, a cost-benefit analysis should be conducted to assess whether revisions to the standards are necessary to achieve intended outcomes and whether the associated compliance costs for such revisions will be proportionate to the realized benefits, including the rate of jurisdictional adoption.

4. Deepen coordination between the Boards on matters that affect audit and assurance engagements to ensure interoperability of their respective standards and avoid unintended consequences. For example, the inability of the IAASB to adopt the PIE definition issued by IESBA or the creation of two separate expert panels to address technology, which may result in duplication. This coordination should include NAM issued by both Boards on previously issued standards as well as aligning on timelines for soliciting external input and effective dates.

5. Ensure IESBA's projects remain focused on professional accountants, which is the limit of IESBA's remit under its approved Terms of Reference (TORs). As described in the IESBA Code, its purpose is to set out fundamental principles of ethics for professional accountants. In recent years, IESBA has undertaken projects that seek to provide ethics standards for non-professional accountants (e.g., Role of CFOs and Firm Culture & Governance) that exceed its remit under its TORs. These out-of-scope projects risk further fragmentation and could undermine the relevancy of IESBA if it continues to emphasize projects that are not centered on setting ethics standards for professional accountants. As stated in the PIF, "standards that cannot be adopted, or cannot be implemented by practitioners, are not much use".

6. Enhance and formalize processes for soliciting practitioner input in the development of new standards, including NAM, of both Boards. This includes improving coordination processes with the JSS, the Global Public Policy Committee (GPPC) and the Forum of Firms (FoF). Existing due processes should also be evaluated and updated to address appropriate review protocols as well as the conditions for approval of the NAM by the Boards, such as issuing fatal flaw invitations to comment, or other required outreach to get the appropriate level of technical and other stakeholder input relevant to determining that the NAM is fit for purpose before issuance.

7. Given rapid technological advancement, it is critical for the Boards to develop NAM to support implementation of existing standards and conduct a parallel assessment of their ongoing suitability. We strongly support the IAASB's technology initiatives, including the Technology Position Initiative and Technology Quality Management Workstream, and urge the IAASB to expedite outputs from their recently established Technology Expert Panel within the current strategy period, including by leveraging the work of JSSs. We also encourage evaluation of whether existing requirements remain future proof, supported by technology agnostic, principle-based standards. Finally, we support coordination with IESBA on ethical considerations and believe it is more efficient to incorporate ethics expertise within the IAASB's Technology Expert Panel than to establish a separate IESBA panel.

8. The IAASB should focus on the modernization of ISAE 3000 and ISAE 3402, together with initiatives to develop NAM for application to emerging subject matters. Incorporating relevant concepts and making other enhancements to ISAE 3000 and 3402 based on the IAASB's development of the sustainability assurance standard (ISSA 5000) is important to prioritize, especially given increased assurance demands for assurance on such subject matters as AI, controls and cybersecurity, as well as regulations relating to these areas. In parallel to an initiative for modernizing ISAE 3000 and 3402, we believe that the development of NAM to assist with their application to emerging subject matters should also be a priority. Since many of these subject matters involve controls not related to financial reporting or trust services criteria, we believe NAM for the application of ISAE 3000 to assurance engagements on controls that are not in the scope of ISAE 3402 is especially needed in practice.

Note related to our completion of this survey: Because each Board has its own mandate, our ranking of the importance of key trends sometimes differs between IAASB and IESBA. When this is the case, we selected the higher ranking as our overall response and provided, through our comments, an explanation of our ranking for each Board.

## 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?**

Our impact rating for this trend is based on our considerations for the IAASB. With regard to the IESBA, we believe the impact rating would be 4 (Slightly increasing in importance).

We agree that the rapid pace of development and adoption of emerging technologies is changing the financial reporting ecosystem, with significant implications for audit and assurance quality as well as public confidence in reported information. As noted in response to question 4, it is critical for the Boards to develop NAM to support implementation of existing standards and conduct a parallel assessment of their ongoing suitability in the context of technology. Such NAM should be subject to appropriate due process and practitioner input to ensure relevancy. In addition, while we support coordination between the IAASB and IESBA on technology considerations, we believe that establishing a separate IESBA panel would be more costly, burdensome to participants and potentially duplicative. The pool of relevant experts is already limited, meaning the same individuals would likely be called upon to serve on both panels. It would be more efficient to incorporate ethics expertise within the IAASB's Technology Expert Panel rather than creating a separate IESBA panel.

The following paragraphs provide further recommendations specific to each Board:

IAASB matters

We encourage the IAASB to respond to this transformation by maintaining technology-agnostic, principles-based requirements in its standards, supported by targeted NAM where speed and flexibility are essential. This approach should focus on two core areas: (1) the auditor's use of technology, and (2) the entity's use of technology in financial and non-financial reporting and related processes.

A central challenge is the rapid expansion of artificial intelligence (AI), including generative applications. Stakeholders are increasingly focused on how AI-enabled outputs are produced, governed, and relied upon in reporting. This underscores the need for prioritizing the timely issuance of NAM developed in collaboration with the Technology Expert Panel to address the implications of AI for audit and assurance evidence, professional judgment, and entity-level risks and controls.

With respect to auditors' and practitioners' use of AI, the IAASB should prioritize the accelerated development of NAM, within the current Strategy and Work Plan, to promote consistent application of existing requirements. Priority areas include the reliability of AI-assisted outputs, management of automation bias, and the use of generative and agentic AI, including implications for supervision and evaluation of evidence. Such NAM should also help educate stakeholders on the important differences between an assurance engagement on AI under the IAASB standards and certifications under ISO 42001 (AIMS).

As entities increasingly embed AI into financial and non-financial reporting, the IAASB should also identify where NAM is needed to support auditor judgment across the audit and assurance cycle, particularly where AI is embedded in third-party applications. Key focus areas include risk identification, control evaluation, and responses to assessed risks. Given the pace and complexity of AI adoption, timely guidance is essential to support consistent, high-quality application.

#### IESBA matters

With the issuance of the final pronouncement on Technology related Revisions to the Code in April 2023, which included guidance on how the fundamental principles apply in an evolving technological environment, we believe the IESBA Code is robust and well positioned to withstand the changes brought about by digital transformation.

Under the Fundamental Principle of Professional Competence and Due Care, professional accountants are required to attain and maintain appropriate knowledge and skills and to act diligently in accordance with professional standards. While emerging technologies introduce new forms of complexity, this obligation is not new. Accountants have always been expected to keep pace with complex subject matter, and the existing principles sufficiently address responsibilities related to developing and maintaining competence in emerging technologies. Moreover, as technology has advanced, access to education and professional resources has expanded accordingly.

That said, the IESBA Board could further support the profession by developing NAM illustrating how the fundamental principles apply to different technology related scenarios. NAM in the form of case studies would both enhance practical application and allow the Board to respond more quickly to emerging issues.

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

6 – Strongly 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?**

Our impact rating for this trend is based on our considerations for the IAASB. With regard to the IESBA, we believe the impact rating would be 4 (Slightly increasing in importance).

The following paragraphs provide further recommendations specific to each Board:

#### IAASB matters

We agree that the use of blockchain and digital assets is accelerating. As adoption expands, auditors will need to adapt risk assessments, procedures, and evidential expectations accordingly. For audits, the demand for timely NAM (e.g., practice aids similar to the AICPA's Accounting for and auditing of digital assets practice aid (September 2025)) will continue to rise.

We continue to observe a positive multi-year trend in the overall maturity of risk management practices within the digital asset ecosystem. Key developments supporting the audit include the increased availability of SOC 1 Type 2 reports from third party custodians and the advancement of best practices for entities that self-custody digital assets (e.g., multi signature controls, transaction limits, and whitelisting of approved payees).

Targeted regulatory and standard setting initiatives at the jurisdictional level support this maturation, and it will be important for the Boards to understand these developments and determine appropriate responses at the international level. For example, recent developments include initiatives to close gaps in US market supervision (e.g., extending the Commodity Futures Trading Commission's regulatory authority to non-security digital assets), and significant legislative actions such as the 2025 GENIUS Act. In parallel, US standard setters are advancing guidance through publications like the AICPA's practice aid (September 2025) and the FASB's addition of digital assets to its research agenda (August 2025).

As demand for assurance engagements related to digital assets continues to grow, often driven by jurisdictional or regulatory developments, we believe there is value in continued consideration of how existing assurance standards can be applied consistently to these engagements, supported by timely NAM where appropriate. NAM could, for example, include typical control objectives that can be reported on in a SOC report or a report under ISAE 3000 or ISAE 3402. Referencing existing criteria or frameworks developed by jurisdictional standard setters may be informative in this regard, particularly where such frameworks are being used to meet specific regulatory requirements.

#### IESBA matters

As noted in our response to question A.1, we believe that the fundamental principles in the IESBA Code are already robust and sufficiently comprehensive to address ethical considerations related to digital assets. However, IESBA could enhance clarity and practical application by using NAM to illustrate how the IESBA Code applies in specific digital asset-related scenarios. This approach would also enable the Board to address emerging issues in a more agile and timely manner.

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

6 – Strongly 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?**

Our impact rating for this trend is based on our considerations for the IAASB. With regard to the IESBA, we believe the impact rating would be 4 (Slightly increasing in importance).

The following paragraphs provide further recommendations specific to each Board:

#### IAASB matters

Cyber incidents continue to threaten confidence in the financial reporting ecosystem and the frequency and sophistication of

attacks against businesses and critical infrastructure are accelerating. This rapid evolution underscores the need for agility in the issuance of NAM to support auditors and practitioners. At the same time, emerging technologies and platforms are converging in ways that further heighten risk, including:

- Proliferation of AI technologies: Historically, financial crime required significant technical skill. Today, AI can supply that expertise, enabling attacks through deepfake driven fraudulent transactions and AI tools capable of breaking security or authentication protocols or identifying and exposing cyber vulnerabilities (e.g., Project Glasswing).
- Advancements in quantum technology: As quantum computing progresses, traditional cryptography will face increasing vulnerability. This may erode trust in digital infrastructure by enabling mass decryption of compromised data, weakening the deterrent effect of encryption in ransomware scenarios, and undermining digital authentication through more sophisticated impersonation techniques.
- Information distortion through social platforms: Heavy reliance on social media as an information source increases the risk of human error as decisions may be influenced by disinformation. We observe that many major breaches still originate from mistakes made by help desk or support personnel inadvertently opening a pathway for attackers.

Additionally, rising geoeconomic tension and political instability further intensify the cybersecurity landscape. Significant cyber breaches will also likely lead stakeholders to question the various roles within the financial reporting ecosystem and the responsibilities relating to cyber risk and cybersecurity in an audit of financial statements. As a response, we believe it would be beneficial for the IAASB to develop NAM to explain the auditor's responsibilities when assessing cybersecurity within a financial statement audit under its existing standards, including newly revised ISA 240.

Outside of audit, we are observing that escalating concerns over cyber risk, which are further amplified by the proliferation of AI, are driving increased demand for cybersecurity related attestations. In practice, we are seeing request for a broad range of such engagements, including program and control assessments, regulatory readiness and attestation, incident response simulations, International Organization for Standardization (ISO) certifications, and "shadow" breach investigations. Requests for these services are often driven by those charged with governance. Consistent with our comments on non-audit assurance related to digital assets, we believe there is value in continued consideration of how existing assurance standards can be applied more consistently to cybersecurity. Timely, topic specific NAM could assist in promoting clarity, consistency, and user understanding in this evolving area.

IESBA matters

As noted in our response to question A.1, we believe that the fundamental principles in the IESBA Code are already robust and sufficiently comprehensive to address ethical considerations arising from the growing use of emerging technologies, including cybersecurity threats and technology enabled financial misconduct. However, IESBA could consider using NAM to demonstrate how the IESBA Code applies in different situations. This approach would also allow the Board to address emerging issues in an agile and timely manner.

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

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### 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?**

In an increasingly volatile geopolitical environment, standards must remain relevant, resilient, and capable of broad adoption across diverse jurisdictions. Principle based standards are better suited to this context, as they allow for adaptability to differing legal, economic, and regulatory conditions, while overly prescriptive requirements risk becoming impractical or unimplementable in practice. Excessive prescription can also hinder timely adoption and consistent application across jurisdictions.

Consistent with our prior responses, for the purposes of agility, we believe that the Boards need to focus on the development and issuance and timely NAM, as well as on an assessment of the suitability of its existing standards in addressing emerging matters.

IAASB matters

In context of the demands for assurance engagements, for which the regulatory landscape is an important driver, we believe there is a strong need for modernization of ISAE 3000 and ISAE 3402, consistent with our overarching comments. We do not believe the IAASB should prioritize the development of separate assurance standards for any particular subject matter, particularly because the range of subject matters for which the regulatory requirements for assurance vary across the world. Rather, we believe the appropriate approach, which is also more expedient, is to coordinate with relevant jurisdictions on the development of NAM for the application of the existing standards to particular subject matters.

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

6 – Strongly 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?**

Regulatory fragmentation creates uncertainty for the profession's ability to adopt and apply global standards consistently across a network, particularly for those networks who are members of the FoF. We agree that this uncertainty increases cost and administrative burdens particularly for multi-national group audits. We also agree that increasing fragmentation erodes trust and confidence in financial and non-financial reporting. We refer to our response to Question 4 in which we set out our views on the strategic priorities of the Boards. We believe all these priorities are relevant to addressing the risk of fragmentation.

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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?**

We agree there is a need for a more adaptive standard-setting process that allows for addressing issues in a timelier manner in the current geopolitical climate, and believe this need will increase, especially as it relates to the use of emerging technology. To ensure the quality and perceived usefulness of the output, we believe it will be important for the IAASB and IESBA to balance agility of the issuance of NAM (as well as any proposed narrow scope amendments to the standards) with the importance of

robust due process and broad stakeholder input.

The following paragraphs provide further recommendations specific to each Board:

#### IAASB matters

Firms are currently in the position of needing to determine an approach or solution to emerging practice issues years ahead of when the IAASB releases revisions to its standards to address the issues. However, we believe there are challenges to the IAASB's ability to issue agile guidance, due to capacity constraints, including limited technical expertise in certain areas, as well as the IAASB's current focus to develop and revise standards.

For the IAASB to commit to robust implementation support, we believe formal collaboration protocols with others, including IFAC, PAOs, JSS and FoF need to be established, and in relation to technology matters, the establishment of the Technology Experts Panel needs expedited. See also our response to Question 4. In addition, to increase agility, we recommend the IAASB review and update its current processes to issue NAM and narrow scope amendments to its standards to ensure robust due process is retained.

#### IESBA matters

Given the recent significant revisions to the IESBA Code, IESBA should establish a process to address narrow scope amendments (e.g., minor fixes and updates) as unintended consequences emerge during adoption and implementation. Such a process should be in addition to an appropriately robust due process for the development of NAM that includes broad stakeholder input, including specific input from the profession.

IESBA should also establish a process to analyze specific incidents, emerging matters or implementation issues in context of the current requirements of the IESBA Code. The issuance of NAM illustrating the proper application of the IESBA Code, particularly the fundamental principles of the IESBA Code, to such matters would result in greater agility by the Board and also promote appropriate compliance with the existing IESBA Code.

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

6 – Strongly 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?**

Given the accelerating pace of technological, regulatory, and geopolitical change, timely and direct input from practitioners will be increasingly important to ensure standards and guidance remain relevant, implementable, and responsive to emerging issues. However, as a result of the 2020 Monitoring Group reforms, practitioners' input has been reduced, diminishing the Boards' ability to receive perspectives from those uniquely positioned to provide real-time insight into how changes are affecting audit and assurance engagements in practice, where standards may require clarification, and where additional guidance could support consistent, high quality application.

The PIF requires balancing of viewpoints from diverse stakeholders. Without robust practitioner engagement, the evidentiary base is incomplete. Practitioners are a core stakeholder group and a primary source of implementation evidence. Where practitioner input is limited or not demonstrably reflected in outcomes, questions can arise as to whether the process fully meets the requirements of the PIF.

In parallel, it is equally important for the Boards to hear from those charged with governance (e.g., audit committees) the matters of greatest concern to them and how evolving expectations are influencing oversight and decision making. Enhanced engagement and coordination with established forums representing this perspective, such as the International Corporate Governance Network (ICGN) or the Asian Corporate Governance Association (ACGA), as well as the newly formed IAASB and IESBA Joint User Advisory Group (UAG), should help ensure standards and guidance continue to meet the needs of both the profession, and key stakeholders in the public interest.

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

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

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?**

Businesses and investors remain committed to sustainability goals because they view them as essential to long term competitiveness. However, in some of the largest markets, requirements may fall below the thresholds set by sustainability assurance standards (ISSA 5000) and independence standards (IESSAs), making it more difficult for global networks to determine which approach to apply consistently worldwide.

Given the evolving sustainability reporting and assurance requirements globally, we believe the Boards should focus on monitoring the adoption of ISSA 5000 and the IESSA and issuing clarifying guidance on an agile basis. This guidance may primarily take the form of NAM; however, more significant implementation challenges identified - particularly those related to the value chain in the IESSA - may require narrow-scope amendments to the standards.

We are also supportive of the IAASB's sustainability implementation group and recommend both Boards use this group to facilitate the discussion of implementation challenges and to lead the development and issuance of timely, relevant NAM.

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

Our impact rating for this trend is based on our considerations for the IAASB. With regard to the IESBA, we believe the impact rating would be 0 (I do not agree that this is a trend to be considered).

The primary objective of sustainability reporting and assurance is to enhance transparency. In light of the current regulatory and geopolitical environment, it is critical for the Boards to prioritize efforts that bring sustainability frameworks and standards closer

together, rather than creating more differences to widen them further. Achieving strong interoperability between international standards and jurisdiction specific regulations should therefore be a key priority.

The following paragraphs provide further recommendations specific to each Board:

#### IAASB matters

In light of the challenges related to the fragmented regulatory environment noted above, users of the report will need to understand what level of assurance was obtained and on what basis (i.e., which assurance standards were applied). We recommend the IAASB prioritize its advocacy of ISSA 5000, including NAM materials on differences with other assurance standards (including ISAE 3000, which may continue to be authoritative in some jurisdictions). Consistent with our comments on agility, it is important that sustainability be a specific focus in identifying implementation challenges with ISSA 5000 and determining responsive actions, both NAM and potential narrow scope amendments.

#### IESBA matters

Preparers of sustainability information are generally not professional accountants and therefore fall outside IESBA's core remit. We believe IESBA should defer any further standard setting activities for non-professional accountants until additional experience is gained from the adoption and implementation of the already issued IESSA.

## 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?**

How audit firms and networks are structured and owned is regulated in the jurisdictions in which they operate. Therefore, we support the Boards' monitoring jurisdictional developments as well as related activities of regulatory bodies such as IFIAR, but standard setting is not needed on an international level because ISQM 1 and the IESBA Code are fit for purpose, regardless of the ownership structure of firms.

If there are relevant considerations identified related to the application of ISQM 1 or the IESBA Code by firms with alternative ownership structures, we believe the development of NAM that includes example considerations is the appropriate approach.

### 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

**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?**

We believe ISQM 1 and the IESBA Code are fit for purpose for accounting firms operating in increasingly multidisciplinary environments, including the involvement of non-professional accountants and non-assurance service lines in audit and assurance engagements.

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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?**

The sustainability of the audit ecosystem depends on the profession's ability to attract and retain talent. Workload intensity and work-life balance are the primary drivers of declining attractiveness and retention in audit, with regulation contributing through its cumulative impact on capacity rather than in isolation.

Global research (including ACCA and CAANZ) consistently identifies converging deadlines and expanding regulatory and compliance requirements as key factors increasing pressure on audit professionals. Global regulatory complexity can also exacerbate workload, raise barriers to entry, and reinforce perceptions of audit as a high-pressure career - alongside technology disruption and alternative career opportunities.

Against this backdrop, it is important that standard setters consider how their initiatives add to the overall burden on firms and individuals. Recent and ongoing IESBA projects - such as Firm Culture and Governance and the CFO project - risk increasing expectations, documentation, and accountability demands on firms and professionals whose roles already face heavy compliance pressure, including as a result of the significantly enhanced leadership and governance requirements under ISQM 1. Without careful calibration, these initiatives may unintentionally reduce the attractiveness of the profession, particularly for early career and non-traditional talent.

Consistent with IFAC's work on the Attractiveness of the Profession and the GPPC-IFAC Pathways initiative, we believe the focus should remain on workload sustainability, wellbeing, skills development, and capacity building, rather than incremental expansion of requirements. Strong oversight is essential, but regulators and standard setters should explicitly assess talent and workforce impacts when developing new standards, which should include assessing the expected consequences to the nature and extent of regulatory oversight to enforce the standard, to ensure the profession remains viable and appealing over the medium to long term.

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

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:**

Accounting firms increasingly operate as multidisciplinary organizations, involving non-assurance professionals, such as

technologists, data scientists, sustainability experts, and AI specialists, in delivering on new assurance demands from the market, including sustainability and AI-related engagements. Audit and assurance quality in multi-disciplinary firms benefits from the knowledge and skills of non-assurance professionals in other service lines and there is no clear evidence that the provision of non-assurance services has a direct or substantive role in causing ethics or independence failures.

Consistent with our response to D2, we believe ISQM 1 and the IESBA Code are fit for purpose in addressing threats to independence and assurance quality in multi-disciplinary firms. These frameworks already provide robust safeguards to manage risks arising from diverse service lines while supporting innovation and market-relevant assurance. Accordingly, we do not support further IESBA standard development for non-professional accountants until more experience is gained from the adoption and implementation of IESSA.

**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?**

## 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.**

No

### Additional trends

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

**Please describe the additional trend**

**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.**

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

**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.2

Rank 2 : B.3

Rank 3 : A.1

Rank 4 : C.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.**

We recommend enhanced coordination between the Boards in the development and alignment of their respective Strategies and Work Plans. Given the interconnected nature of standard-setting activities, it is important that both Boards jointly consider and understand the implications of proposed revisions to their standards before either Board finalizes changes. This would help avoid unintended consequences, inconsistencies, or rework arising from sequential decision-making. For example, the IESBA finalized revisions to the definition of a public interest entity before the matter was fully deliberated by the IAASB, highlighting the need for earlier and more structured coordination.

In addition, we recommend a joint or parallel review of current and planned projects to assess alignment, prioritization, and resource allocation. Such a review could help identify overlapping areas where collaboration is beneficial, areas where sequencing should be adjusted, and projects where effort may be better redirected to higher-priority initiatives. This approach would support more efficient standard-setting and promote coherence across the Boards' outputs, whether through joint projects, coordinated timelines, or complementary NAM.

Finally, we believe that both the IAASB's and IESBA's Strategies and Work Plans should include greater specificity regarding planned coordination topics and mechanisms. This should include explicit identification of any projects in either Board's 2028–2031 work plan that could have implications for the other Board's standards. In particular, coordinated activities could include:

- Joint deliberation of the results of post-implementation or post-interim reviews (whether already planned or underway) of recently issued standards.
- Ongoing monitoring of the implementation of the IESBA PIE definition and its implications for audit and assurance standards.
- Monitoring the implementation of the IESBA External Experts revisions and related narrow-scope amendments to IAASB standards, particularly with respect to evaluating the competence, capabilities, and objectivity of the auditor's expert.
- Establishing a single Technology Experts Panel to advise on technology-related matters relevant to both Boards.
- Expanding the IAASB's Sustainability Implementation Group to include IESBA representation.