



May 19, 2026

International Ethics Standards Board for Accountants
International Auditing and Assurance Standards Board
529 Fifth Avenue, 6th Floor
New York, NY 10017

Dear Members of the International Ethics Standards Board for Accountants and the International Auditing and Assurance Standards Board:

Re: IAASB and IESBA Joint Stakeholder Survey

On behalf of the Global Accounting Alliance (GAA), we are pleased to respond to the International Ethics Standards Board for Accountants (IESBA) and the International Auditing and Assurance Standards Board (IAASB) (collectively referred to as SSBs) above-referenced Joint Stakeholder Survey (the Survey).

About the GAA

The GAA serves as a forum for 10 leading professional accountancy bodies representing 1,400,000 members in over 180 countries around the globe. Professional accountants play an important role in global capital markets, helping organizations meet the evolving information needs of investors, regulators, and other stakeholders.

The GAA's purpose is to serve the public interest by leading the advancement of a high-quality accounting profession by sharing information, and collaborating, among GAA members, and advocating on international issues important to the profession.

The GAA's members include the following professional accountancy bodies:

- Association of International Certified Professional Accountants
- Chartered Accountants Australia and New Zealand
- Chartered Accountants Ireland
- Chartered Professional Accountants of Canada
- Hong Kong Institute of Certified Public Accountants
- Institut der Wirtschaftsprüfer in Deutschland e.V.
- Institute of Chartered Accountants in England and Wales
- Institute of Chartered Accountants of Scotland
- Japanese Institute of Certified Public Accountants
- South African Institute of Chartered Accountants



Our response has been developed by our GAA Ethics Working Group and the GAA Audit & Assurance Working Group. These groups were established, in part, to support the work of the SSBs by coordinating and contributing insights of GAA members. These working groups have deep technical experience and forward-looking perspectives, which has informed our views and recommendations on the Survey.

In developing our response, we found the quantitative ratings difficult to apply. In particular, we are concerned that rating a topic as “increasing in importance” will be interpreted as support for a standard-setting project. We also recognize that, although cooperation between the IESBA and IAASB is important, some topics warrant different ratings because of the boards’ distinct remits and the work that one board or the other has already completed. Accordingly, we have provided combined ratings in some cases and separate ratings in others. Our narrative explanations should be given greater weight than the numeric ratings. A higher rating does not automatically mean we support a standard-setting project during 2028–2031; rather, it often reflects a need for continued monitoring.

We appreciate the opportunity to provide our views and recommendations on the Survey. We value the SSBs’ consideration of stakeholder input on this important topic and would welcome the opportunity to meet as you develop your respective 2028–2031 strategic plans.

Yours sincerely,

A handwritten signature in cursive script that reads 'Jim Knafo'.

Jim Knafo, FCPA, FCA, CGMA
Chief Executive Officer
Global Accounting Alliance

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:

Global Accounting Alliance (GAA)

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

Jim Knafo, CEO

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

Jim.Knafo@aicpa-cima.com

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:

Other Professional Accountancy or Professional Organization

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).

We have set out below what we believe each of the SSBs should aspire to achieve during their next strategy period, 2028 - 2031 with a clear focus on certain key priorities.

Evidence-Based Standard Setting and Proportionate Prioritization

We believe the SSBs should focus on projects that respond directly to evidence-based, public interest needs. This may mean pursuing fewer projects in order to prioritize projects with clear global relevance. We address several of these themes throughout our survey response.

We recognize that the SSBs apply the Public Interest Framework (PIF) throughout the standard-setting life cycle; however, the PIF omits explicit quantitative and qualitative consideration of the benefits and their relationship to costs. Accordingly, we believe the strategies and work plans of the SSB's should place greater emphasis on assessing whether the expected public interest and quality benefits justify the costs, including how those costs and benefits are distributed across stakeholders, including firms of all sizes. We also urge the SSBs to explicitly consider the effect of newly proposed standards on small and medium-sized firms.

In our view, SSB standard-setting actions should be grounded in robust evidence of a clear quality gap or market deficiency at the global level, not isolated instances of noncompliance or historical events. This calls for greater discernment at the information gathering stage of a project to clearly understand the problems that can be solved through standard setting. It also requires stronger attention to proportionality and scalability, and a willingness to pause, narrow, or discontinue projects when the

expected burden may outweigh the likely benefits or when global demand has shifted.

Global Adoption, Implementability, and Stability

The SSBs should also make broader adoption, effective implementation, and long-term stability central objectives of the next forward strategic period. For IESBA in particular, increasing adoption of more recent versions of the Code should be a major priority, supported by practical, scalable materials and sustained engagement with the profession and other key stakeholders. Rather than focusing primarily on promotion after standards are issued, the SSBs should embed global acceptance and implementation considerations throughout the project lifecycle. A meaningful period of stability is also needed so recent revisions can be implemented, understood, and assessed through post-implementation review before significant further amendments are pursued. Frequent or incremental changes can impose considerable implementation, training, and systems costs on the profession, reporting entities, and society more broadly, and can contribute to fragmentation rather than consistency.

Stakeholder Engagement, Project Discipline, and Remit

The SSBs should engage earlier and more systematically with a broad range of stakeholders so that agenda-setting and project development are informed by practical experience, not disproportionately shaped by any single constituency. This should include greater emphasis on how standards are experienced by professional accountants who must apply them in practice, including in smaller firms and across diverse jurisdictions. The SSBs should also use the next strategy period to reassess whether existing and proposed projects remain justified. In this period, the focus should be on conducting post-implementation reviews of previous projects and monitoring key developments, as set out below. The SSBs should avoid profession-agnostic expansion and adopt a rebuttable presumption that changes to the Code or standards are evidence-based and globally relevant.

Fragmentation

Building on the previous three topics, fragmentation is not a stand-alone issue; it is the cumulative result of weaknesses in each of those areas. When standard setting is not sufficiently evidence-based, proportionate, or disciplined at the pre-initiation stage, projects may proceed without a clearly demonstrated global need, leading to requirements or materials that are harder for jurisdictions to endorse consistently. When adoption, implementability, and periods of stability do not receive enough weight, the pace and volume of amendments can outstrip the ability of jurisdictions and firms to absorb, translate, train on, and implement change, which in turn produces uneven uptake and divergence in practice. And when stakeholder engagement is not broad enough, or projects move beyond remit or are not reassessed as they develop, standard setting can drift toward matters that are jurisdiction-specific, profession-agnostic, or overlapping between boards, creating duplication, interoperability challenges, and added complexity. In our view, correcting fragmentation therefore requires the SSBs to address all three causes together: pursue only projects supported by clear evidence of a systemic global issue, embed adoption and implementation objectives throughout the project lifecycle, preserve meaningful stability and reliance on post-implementation review, and apply stronger discipline around remit, stakeholder engagement, and cross-board coordination so that international standards remain a durable and globally operable baseline. We have also provided this same response to B.2.

Technology Monitoring and Cross-Board Coordination

Technology should remain an area of active monitoring and coordinated attention by both boards, but monitoring should not be assumed to justify new requirements. In the IESBA context, we are not currently aware of evidence that the Code is deficient in responding to technological developments, including AI-related issues, because existing principles-based requirements, recent revisions to the Code, and nonauthoritative materials already address the ethical concerns that we are currently aware of. More broadly, because technology creates significant overlap between ethics and assurance, the SSBs should strengthen deliberate coordination from project selection through development so that duplication, inconsistency, and unintended overlap are minimized.

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?

This trend is already highly significant and we expect this to continue in the years ahead. Ongoing adoption of AI tools and continued marketplace innovation are likely to sustain this momentum.

We have set out below our views on the implications of this for the respective Boards.

IAASB Rating: 6

Emerging technology—particularly artificial intelligence—is increasingly viewed as a key trend affecting the work of IAASB, driven by its growing integration into both reporting entity and firm processes.

Accordingly, while technology should remain a high priority for the IAASB, the Board should continue to monitor this trend closely and assess whether it gives rise to a systemic global practice issue that requires action. The IAASB will need to closely monitor matters related to human oversight, data integrity and security, and the implication of internally developed and third-party applications.

If IAASB action is warranted, the Board should first consider whether non-authoritative materials would be sufficient and proceed to new or revised standards only if clearly necessary.

IESBA Rating: 4

Although this is a significant global trend, IESBA has already updated the Code in response to technology developments and has published related non-authoritative support materials. On that basis, we consider the current Code to remain fit for purpose. The recent amendments were shaped by substantial fact-finding and stakeholder engagement; they are principles-based, technology-neutral, and intended to support the ethical mindset and conduct of professional accountants in business and in public practice as they use technology and respond to ongoing innovation. This approach helps keep the Code relevant over time and reduces the risk of fragmentation. Accordingly we expect this trend to become less strategically significant for the IESBA, with the emphasis instead on sustaining confidence that the existing revisions continue to address emerging issues. In support of this view, and notwithstanding the continued pace of digital transformation, we are not aware of evidence to date indicating that further changes to the Code are needed to respond to new developments. This reinforces the value of a principles-based framework, which is more likely to remain appropriate as circumstances evolve. So far, the 2022 technology-related revisions—together with earlier changes (for example, refinements to the wording of the objectivity fundamental principle arising from the Role and Mindset project)—appear to have remained effective over time.

Regarding emerging technologies (including artificial intelligence), unless specific and clearly articulated concerns arise that cannot be addressed through existing authoritative requirements, we believe the IESBA's efforts should be directed toward educational and illustrative materials that help professional accountants apply the current provisions in practice—such as the recent "Decoding Ethics: Building trust in a tech-driven world" podcast series. We welcome this initiative and the way it demonstrates how the Code can be applied to continuing technological developments, including topics such as quantum computing.

To limit demands on the IESBA's constrained resources, the Board could also consider drawing on educational materials developed by JSSs or other closely connected stakeholders. GAA member bodies will continue to monitor ethical issues arising from the use of AI applications and would bring to the IESBA's attention any matters that, in our view, are not adequately addressed by the existing provisions of the Code.

We also note the discussion at the March 2026 meeting about the importance of organizations establishing appropriate governance arrangements for AI use. While such arrangements are clearly relevant, they appear to sit outside the IESBA's mandate.

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

3 – Slightly decreasing in importance

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

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

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

IAASB Rating: 3

Given the recent indications that the IAASB has expressed a position of "not recreating the wheel" when jurisdictions have developed credible non-authoritative material on the topic of digital assets, our recommendation is that the IAASB partner with public accounting organizations to reference those materials to meet global needs. Such action would demonstrate market responsiveness without expending significant financial or human capital to develop IAASB branded non-authoritative material. Furthermore, developments in the applicable financial reporting frameworks may be necessary before consideration of future IAASB action.

IESBA Rating: 3

Consistent with our response above, we view this as an already established and significant development that is likely to persist as digital assets continue to move further into mainstream use. However, while continued monitoring by the IESBA is appropriate, we do not currently consider a standard-setting project necessary through 2031. Accordingly, we are not in a position to predict whether its relative importance to the IESBA will rise or fall over the next strategy period.

In our monitoring of technology developments, we have not, to date, identified circumstances that would indicate the Code requires amendment specifically to address digital assets, notwithstanding their growing profile. In substance, digital assets function as another form of asset for enabling exchange between parties. Because the Code already provides an effective framework for addressing ethical issues associated with traditional assets, we consider that same framework capable of being applied to digital-asset contexts as well.

To manage the draw on the IESBA's limited capacity, the Board could also look to make greater use of existing educational resources developed by JSSs and other closely aligned stakeholders, such as the GAA.

We note the IAASB presented its technology plan to IESBA during IESBA's March 2026 board meeting. Technology is a key area that has significant overlap in ethics and assurance and the SSBs will need to communicate and collaborate extensively, both to address risks but also to stay within their respective remits.

A.3 Digital Transformation – Financial Crimes Enabled by Technology

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?

IAASB Rating: 6

Financial crime is becoming a higher priority as advances in artificial intelligence are lowering the barriers to sophisticated fraud. Tools such as deepfakes and AI-generated documents make it easier to impersonate individuals and bypass traditional controls, while AI also enables users to circumvent IT security measures with greater confidence and precision. At the same time, increasing digitalization heightens exposure to cybersecurity threats, as weaknesses in systems can be exploited to gain unauthorized access, manipulate data, or facilitate fraudulent activities. Together, these developments increase both the scale and complexity of financial crime risks, challenging existing control frameworks. That said, IAASB standards, including ISA 240 and ISA 250, provide an appropriate foundation for auditors and practitioners dealing with these topics. In our view, existing standards are responsive to this topic. However, non-authoritative material developed by the SSBs may be used to address the implications of AI (e.g., fake authorization, deepfake).

IESBA Rating: 3

This is an important global development, but we expect it to become less of a strategic differentiator for the IESBA because the Code already offers a robust, principles-based framework that remains suitable for purpose.

The Code supports deterring and addressing fraudulent conduct in two interrelated ways. First, the fundamental principles—particularly integrity and professional behavior—set enforceable expectations that help prevent professional accountants from participating in, facilitating, or disregarding fraudulent activity. These principles shape conduct upfront and are reinforced through professional obligations, disciplinary consequences, and reputational considerations. Second, the NOCLAR provisions

provide a structured basis for professional accountants in business and in public practice to respond appropriately to identified or suspected non-compliance with laws and regulations, including matters involving financial crime.

We note that the post-implementation review of the NOCLAR standard is currently underway, and we intend to participate in that work.

Overall, this combination provides an approach to fraud prevention and response that is scalable, internationally applicable, and less likely to become outdated quickly—so additional prescriptive standard-setting in this area may deliver limited incremental benefit compared with other priorities. Separately, there may be scope for the IESBA to encourage jurisdictions to establish effective whistleblower protections, so that professional accountants (and others) who judge it necessary to raise concerns can do so with appropriate safeguards. We also understand the IESBA intends to develop further technology-related materials. Those resources will be most helpful where they translate the Code into practical, real-world examples that reflect challenges faced by professional accountants in business and in public practice. For instance, the recent IESBA podcast on quantum computing underscored that new technologies may increase the magnitude of existing threats, even where they do not necessarily introduce new categories of threats.

We again encourage the SSBs to work closely together on their respective technology-related work, given the significant overlap between ethics and assurance in this area. In that regard, because we see this as a higher priority for the IAASB, the IESBA may also need to adjust its priorities during the 2028-2031 workplan if the IAASB proceeds past monitoring of the trend and there is an ethical risk that must also be addressed.

7. SECTION IV: KEY TRENDS IMPACTING THE SSBs

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

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?

Combined Rating: 5

Geopolitical risk has clearly intensified in recent years, including through developments in Europe and the Middle East. At the same time, in a number of jurisdictions there has been sustained momentum to ease regulatory requirements in order to lower perceived compliance costs and encourage competitiveness and growth.

Even so, while shifts in regulation (including phases of deregulation) are observable globally, we do not believe they should be elevated as a strategic priority for the SSBs. As we noted earlier, we believe standard setting should occur based on evidenced public-interest needs, not fluctuate with political cycles.

In our view, it is not the role of the IAASB to resolve regulatory fragmentation, which has been a stated objective in the IAASB's current technology quality management nonauthoritative work. We understand that governments, regulators and/or jurisdictional oversight bodies establish rules and regulations for their jurisdiction because they are likely better situated to address unique needs. We recognize that some regulatory regimes believe that firms need to include in their methodologies even non-authoritative guidance produced by the SSBs, but our concern is that the more that the IAASB seeks to resolve regulatory fragmentation, the more prescriptive and idiosyncratic the work of the IAASB becomes, which actually lessens rather than elevates its global relevance. Moreover, it also creates a risk that standard setting becomes regulation by another means. For IESBA, the ethical baseline should remain steady rather than expand or contract in response. In our view, deregulation does not, by itself, create a gap that calls for additional ethics requirements; instead, it highlights the value of a durable, principles-based Code that can be applied consistently across different regulatory settings. The fundamental principles and the conceptual framework already provide that stable foundation, relying on professional judgment regardless of the direction or intensity of external regulation. Notably, the Code's provisions on pressure to breach the fundamental principles are designed to help professional accountants resist political, organizational, and commercial pressures that can arise during periods of

regulatory change. For these reasons, the IESBA's emphasis should remain on reinforcing confidence in the Code's robustness and global operability, rather than reacting to regulatory or geopolitical swings.

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

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?

Combined Rating: 6

As noted in question 4, fragmentation is not a stand-alone issue; it is the cumulative result of weaknesses in the other strategic areas cited:

a) Evidence-based standard setting and proportionate prioritization: When standard setting is not sufficiently evidence-based, proportionate, or disciplined at the pre-initiation stage, projects may proceed without a clearly demonstrated global need, leading to requirements or materials that are harder for jurisdictions to endorse consistently. b) Global adoption, implementability, and stability: When adoption, implementability, and periods of stability do not receive enough weight, the pace and volume of amendments can outstrip the ability of jurisdictions and firms to absorb, translate, train on, and implement change, which in turn produces uneven uptake and divergence in practice.

c) Stakeholder engagement, project discipline, and remit: When stakeholder engagement is not broad enough, or projects move beyond remit or are not reassessed as they develop, standard setting can drift toward matters that are jurisdiction-specific, profession-agnostic, or overlapping between boards, creating duplication, interoperability challenges, and added complexity.

In our view, correcting fragmentation therefore requires the SSBs to address all three causes together: pursue only projects supported by clear evidence of a systemic global issue, embed adoption and implementation objectives throughout the project lifecycle, preserve meaningful stability and reliance on post-implementation review, and apply stronger discipline around remit, stakeholder engagement, and cross-board coordination so that international standards remain a durable and globally operable baseline.

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

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

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

Combined Rating: 0

We agree that the SSBs should be agile in responding to changing and emerging risks. However, agility includes not only choosing non-authoritative materials over full standard-setting or narrow-scope projects but a willingness to pause or discontinue projects when they are no longer justified, irrespective of whether those projects involve standard setting or non-authoritative materials. For example, we believe the IESBA has received sufficient stakeholder input to discontinue the possibility of revising the Code in relation to the FCG and CFO projects; similarly, we believe the IAASB has obtained sufficient global input that neither standard setting nor nonauthoritative material is needed on the topic assurance over XBRL.

Agility should also involve reprioritizing work as issues evolve and staff resources shift. In addition, post-implementation reviews should be used to identify requirements that could be refined or removed because they have created unintended consequences or are no longer appropriate for the global market. New requirements should be added to the Code only where there is a clear global risk to address. This would help preserve the Code's durability and avoid reactive changes that are unlikely to stand the

test of time.

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?

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

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?

Combined Rating: 4

At present, regulatory feedback appears to carry outsized influence in agenda-setting and in the development of requirements given the PIF was developed by the Monitoring Group and in the prominence in which the Monitoring Group feedback is highlighted over the preponderance of other feedback. Any new requirements should be underpinned by clear, evidence-based analysis demonstrating a specific shortcoming in the standards and a well-articulated public-interest case for change with a global impact.

8. SECTION IV: KEY TRENDS IMPACTING THE SSBs

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

3 – Slightly decreasing in importance

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

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

IAASB Rating: 3

There will be continuing demand for sustainability reporting and assurance, but not any great general increase.

IESBA Rating: 1

As the IESBA has only recently completed the IESSA, we do not consider it necessary to add further major workstreams in this area at present. The focus should be on supporting timely adoption and consistent implementation. To the extent application challenges arise, they should first be addressed through limited non-authoritative materials that illustrate how to apply the IESSA in practice and promote consistent application. Consideration of any refinements to the standard should come only to address significant practical implementation challenges being experienced by sustainability assurance practitioners or after a thorough post-implementation review demonstrates that changes are clearly needed.

On Independence Standards for Sustainability Assurance Engagements Outside the Scope of the International Ethics Standards for Sustainability Assurance, the March 2026 IESBA meeting update noted difficulties in obtaining sufficient information to assess whether demand is increasing for sustainability assurance engagements that fall outside the IESSA. Given this current lack of reliable evidence, we do not support initiating a standard-setting project unless and until the data demonstrates a global

level of demand for assurance engagements outside the IESSA scope.

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

1 – Strongly decreasing in importance

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

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

Combined Rating: 1

As the IESSA has only recently been issued, we do not think it is timely to launch additional major workstreams in this space. The priority should be widespread adoption and consistent implementation.

We are not supportive of IESBA undertaking the project "Consideration of need for ethics standards for all preparers of sustainability information" since the focus of this project is on all individuals involved in preparing sustainability information, not just professional accountants. We believe IESBA's focus should be on professional accountants. The credibility of services professional accountants provide is closely tied to the competence, ethics, and accountability associated with licensure; weakening this foundation could erode confidence and create confusion about the qualifications needed to perform high-quality engagements. We are very concerned about the long-term consequences to the global profession and thereby the consequences to the public interest, because of decisions to develop profession-agnostic standards.

9. SECTION IV: KEY TRENDS IMPACTING THE SSBs

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

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

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

Combined Rating - 0

Private equity investment in accountancy firms is increasing, particularly in the U.S., EU, and the U.K. and those investments may create (or appear to create) threats to independence. Therefore, any IESBA response should be evidence-based and lead to Code changes only where a clear issue is identified, with due regard to jurisdictional differences to ensure global operability and consistent application.

Principles of ethics and quality management transcend ownership models and in our view the Code's conceptual framework is generally capable of addressing heightened complexity (including potential network implications) arising from varying ownership models. Accordingly, we do not believe IESBA needs to pursue standard setting over firm operational or governance structures. Any such regulation is better handled through local regimes.

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?

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:

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?

Combined Rating: 4

We consider it important that the Code continues to be directed to the accountancy profession, where there are established oversight, monitoring, and enforcement arrangements. Permitting unlicensed individuals to undertake the same engagements as licensed professional accountants risks weakening the value and distinctiveness of the PA credential and sits uneasily with the talent-attraction challenges seen in some jurisdictions. We are also concerned that a profession-agnostic approach could erode the distinction between those who are professionally qualified, licensed, and subject to established accountability mechanisms, and those who are not. Over time, that risks devaluing professional licensure, obscuring responsibility for ethical conduct, and creating confusion in the market about the competencies and accountability associated with high-quality engagements—outcomes that would not serve the public interest.

Accordingly, we do not support the IESBA developing new requirements, or reshaping the Code, on the premise that it should apply to users other than professional accountants. Any proposal to broaden the IESBA's remit would need to be progressed through a clear, transparent due process with wide global consultation, given the implications for the IESBA's terms of reference. We further note that the Code already addresses multidisciplinary teams by placing responsibility on the professional accountant for appropriate authority, supervision, and control over individuals performing professional work under their direction. It also requires application of the conceptual framework to identify, evaluate, and address threats to the fundamental principles arising from relevant roles, relationships, and responsibilities, including those involving experts who are not professional accountants. In our view, these provisions are sufficiently scalable to address the increased use of non-PAs and do not justify additional standard setting at this time.

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

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?

Combined Rating: 4

While talent pressures are real, we do not see this as a primary strategic driver for the SSBs beyond monitoring. Attraction and retention challenges are principally workforce, education, and business-model matters best addressed by professional bodies, firms, educators, and jurisdictions. That said, talent trends are an important signal of how standards and regulation are experienced in practice, including whether cumulative requirements, implementation demands, and the pace of change may be creating barriers to entry or making long-term participation in the profession less attractive.

We also note that the services provided by professional accountants are increasingly extending beyond traditional audit and assurance, which in our view is a positive development. Professional accountants remain subject to the Code regardless of the services they provide, and that broad ethical foundation supports trust, adaptability, and innovation in ways that serve the public

interest.

We therefore encourage the IESBA and IAASB to engage directly with the GAA PAOs on talent pipeline issues across jurisdictions, including how standards, related regulatory requirements, and their cumulative implementation may affect entry into the profession, training burdens, and the long-term attractiveness of professional accountancy careers. PAOs are well positioned to provide practical evidence on how these pressures are being experienced by students, trainees, firms, and professional accountants in practice.

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

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

Combined Rating: 0

Although non-assurance service lines may continue to expand, the IESBA has already strengthened the Code's requirements on fees and non-assurance services and the associated independence threats. In the absence of clear evidence of a global systemic issue unique to evolving structures that warrants further intervention, we do not support additional standard-setting in this area.

The increase in non-assurance services in firms has been noted as a potential detriment to ethical conduct in the firm culture and governance project. We do not view growth in non-assurance services as a basis for elevating firm culture and governance to a standard-setting priority. Consistent with our previous comments on the FCG project, we are not aware of evidence that the Code is deficient in this area, nor has a root-cause analysis been demonstrated that would justify new requirements. To the extent further support is helpful, it should be provided through clearly nonauthoritative materials that help professional accountants apply the Code's fundamental principles and conceptual framework in practice, rather than through broad governance-oriented outputs that risk contradicting quality management requirements, overlap with jurisdictional firm governance regimes, impose disproportionate implementation burdens, and create de facto requirements without the safeguards of due process.

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.

Yes

Additional trends

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

O.1 Our response to question 4 outlines the other areas and matters that we believe the SSBs should consider. O.2 Evidence from third parties.

Please describe the additional trend

O.1 See our response to question 4.

O.2 Reliance on third parties is becoming more challenging, particularly due to limitations in the availability and reliability of externally sourced evidence. Increasingly complex ecosystems—spanning value chains, cloud and blockchain environments, and external service providers—are driving greater interdependence. At the same time, reliance on third-party confirmations is growing alongside heightened assurance expectations, which may ultimately require more scalable "one-to-many" reporting solutions.

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?

If you have further questions after reading the response to question 4, we are pleased to meet with you to discuss.

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 : O.1

Rank 2 : B.2

Rank 3 : A.1

Rank 4 : A.3

Rank 5 : B.1

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.

The IAASB and IESBA should focus joint efforts on topics where interoperability is essential. In many cases, the most effective response may be timely non-authoritative materials rather than new requirements. The IESBA should stay within its remit and avoid duplicating work by not addressing matters better handled by the IAASB. Coordination should also be strengthened at the board level (not only among staff), with an early-warning process so potential cross-board impacts are identified promptly and unintended inconsistencies are avoided.