

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:

Institut der Wirtschaftsprüfer (IDW) [Final]

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

Jurisdictional Standard Setter (JSS) or Other Standard Setter

Please specify the type of accounting firm:

Please specify:

Please specify:

Please specify:

JSS for Auditing and Assurance only

Please specify:

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

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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).

We would like to thank you for the opportunity to participate in the survey and to share our views on these important matters. We have described the matters that we would like to highlight for the standard-setting boards below:

1. Meeting the public interest should place greater emphasis on whether the overall benefits of any new, or changes to, standards outweigh the costs, as well as on how those costs and benefits are distributed across stakeholders. Particular attention should be given to whether certain groups, such as smaller firms, smaller entities, or specific jurisdictions, bear a disproportionate burden. A balanced approach should ensure that requirements are proportionate, practical to implement, capable of consistent application, and responsive to the needs of jurisdictions, the profession, and users of financial information. Embedding cost benefit considerations into the due process should go beyond a standalone impact analysis and instead assess the overall effect on the allocation of resources in society.

2. There is a growing concern that standards have become increasingly lengthy and complex over time. In many cases, revised standards have expanded to several times the length of their previous versions, adding layers of detail with diminishing returns in terms of improved engagement quality or ethical outcomes. This is particularly the case for auditing and ethical (especially

independence) standards, for which the question arises whether the additional cost involved through the greater granularity of requirements and guidance is subject to diminishing returns of audit and ethical quality. Greater discipline is needed to ensure that revisions focus on clarity, usability, and relevance, rather than continually increasing prescriptiveness, detail and complexity.

3. Triggers for standard-setting projects, as well as for new or amended requirements and guidance, should not arise from isolated instances of non-compliance with clear existing requirements. Instead, standard-setting actions should be based on robust evidence that existing standards are deficient in substance, rather than on deficiencies in their application. In doing so, due consideration should be given to the potential international impact of a project, including cost–benefit considerations, proportionality, and the effective allocation of scarce standard-setting resources. Standard setting should be driven by market needs and appropriate triggers, not by the mere availability of resources. In this context, greater emphasis and importance should be attached to post-implementation reviews when considering changes to existing standards. Given our comments on the diminishing returns for standard setting for audits and ethics, we believe that both standard setting boards should monitoring technological developments, and hence future standard setting for the IAASB should focus on issues of relevance to the assurance and related services market, including matters such as artificial intelligence, risk management, internal control and cybersecurity. In this respect, even for technological developments, we believe that the ethics and independence standard setting has reached a saturation point, which implies that IESBA should focus on achieving a more consistent and rigorous global ethics baseline for the accountancy profession that would serve the global public interest.

4. Standards should be designed to be durable and stable over time. Frequent or incremental changes can impose considerable costs on the profession, reporting entities, and society more broadly, including implementation, training, and system adaptation costs. Accordingly, standard setters should place a strong emphasis on stability and avoid changes unless absolutely necessary. For IESBA in particular, we are not convinced that significant new amendments to the Code are needed in the period 2028-2031.

5. Engagement with key stakeholder groups should be rebalanced to ensure that all those significantly affected by standards are adequately represented in the standard-setting process. Engagement with the profession should not only include international firms and global professional accountancy organizations, but in particular national standard setters that are often responsible or involved in the adoption of international standards. Engagement processes should avoid over-reliance on input from regulators and instead ensure a more proportionate and inclusive consideration of perspectives from the profession.

6. Standard-setting bodies must remain within their defined remit. This is particularly important for IESBA, which is explicitly mandated to develop ethics, including independence, standards for professional accountants in the public interest. Extending standard-setting activities beyond this scope blurs responsibilities, creating regulatory overlap, imposing disproportionate requirements and ultimately damaging the reputation of the profession. There should be a disciplined adherence to the established standard-setting mandate. For these reasons, we do not support the IESBA projects on Firm Culture and Governance (an area covered by national regulation or governance codes) or on CFOs (which extends beyond professional accountants). In particular, there needs to be recognition that standard setting should not be misused to address matters that – though addressing them may be in the public interest – are not within the remit of the standard setting boards, but rather in the remit of reporting standard setters, national legislators or regulators.

7. Third-party reliance issues, particularly the limited availability, accessibility, and reliability of evidence from external parties, are an increasing concern. Complex value chains, cloud and blockchain environments, and the use of external service providers are creating growing dependencies and interconnections. We would like to emphasize the growing dependence of entities and practitioners on service providers of various types, the blurring of the distinction between software and service providers, and the increasing reliance on third party confirmations in the value chain vs. rising assurance expectations in this regard that may only be resolved by one-to-many report solutions.

Approach to survey response

We have found it difficult to rate our quantitative responses to the questions posed. We have also provided separate ratings for both boards in some cases, as on certain topics our belief is that there is a clear differential in the importance of the topic to the respective standard setters based on what each of them has already done in that area to date. A higher rating should not be interpreted as suggesting that standard setting in its narrow sense is needed: it may just indicate that additional monitoring and information gathering is required. In addition, our narrative responses should be given greater weight than the ratings.

6. SECTION IV: KEY TRENDS IMPACTING THE SSBs

A.1 Digital Transformation – Increasing Use of Emerging Technologies

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

Emerging technology, particularly artificial intelligence, is increasingly seen as a key trend in the activities of the IAASB due to its growing integration into business processes. Entities are adopting AI at different speeds, but the overall direction is clear and accelerating, with applications ranging from established tools such as OCR for invoice processing to more advanced systems like automated purchasing and agent-based AI. These developments raise important questions around governance, including data access, permissions, performance monitoring through AI-specific indicators, and the reliability of third-party services, all of which require attention by the standard-setting boards.

At the same time, audit firms are beginning to use AI to enhance their procedures, especially by combining multiple sources of information and supporting complex evaluations. Although responsibility for audit quality remains with the auditor, the increasing use of such tools creates challenges for quality management, regulatory compliance, and consistent adoption across firms of different sizes. This is particularly relevant for smaller practices, which may rely more heavily on external technology providers. In addition, both entities and audit firms are becoming more dependent on technology service providers, which introduces further risks related to control, resilience, and concentration. Ethical considerations also play a growing role, as there is potential for misuse of AI by both management and auditors. These combined factors explain why emerging technology is a central focus for standard setters, as they seek to ensure that standards are robust despite rapid change and guidance is there when it is needed.

IESBA

Although this is a significant global trend, the 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 existing educational materials. For example, 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, we believe that governance over the use of AI in entities is outside the IESBA's mandate.

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

2 – 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

Given the recent indications that the IAASB has expressed in "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 professional accountancy 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

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 IESBA Code requires amendment specifically to address digital assets, notwithstanding their growing profile. In substance, digital assets function as another form of asset for holding value and enabling exchange between parties. Because the Code already provides an effective framework for addressing ethical issues associated with traditional assets, we consider that in general same framework capable of being applied to digital-asset contexts as well.

We do not see the need for projects in this area, but should the need arise, projects should be undertaken jointly between the two boards to hinder misalignment.

A.3 Digital Transformation – Financial Crimes Enabled by Technology

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?

IAASB

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. For these reasons, we believe that financial crime in conjunction with artificial intelligence ought to be an area of focus for the IAASB both in terms of applying existing standards and recognizing the inherent limitations of audits and other assurance engagements in this area.

IESBA

We believe that the Code already offers a robust, principles-based framework that remains suitable for purpose in relation to financial crimes through technology. The IESBA's value-add is not to replicate or broaden fraud-focused requirements, but to maintain confidence that the Code continues to address evolving risks as technology changes how misconduct may be perpetrated or concealed.

7. SECTION IV: KEY TRENDS IMPACTING THE SSBs

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

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?

We believe that standards should change based on evidenced public-interest needs, not fluctuate with political cycles.

For IESBA, the ethical baseline should remain steady rather than expand or contract in response. However, 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.

In relation to the IAASB, deregulation should also be guided by careful cost–benefit considerations rather than by current political trends. There are increasing indications that the growing complexity of existing requirements may no longer be justified by the benefits they provide, suggesting a need to reassess whether the associated costs outweigh their value. This should affect future standard setting, as we set out in our response to Question 4.

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?

Fragmentation results when international solutions are viewed as not meeting the cost-benefit considerations (e.g. ISAs for LCEs, PIEs vs. Non-PIEs) or the pace of change leads to different versions of international standards being used globally. We believe a key consideration to promote harmonization is to prioritize cost-benefit consideration so that the value of international standards can be convincingly demonstrated.

The need for national solutions for national problems does not always lead to fragmentation: some "fragmentation" is not necessarily a bad thing because differences in environments (law, regulation, language, culture, markets) may require different solutions. Complete conformity may be counterproductive. In this context the IESBA and IAASB are not responsible for resolving regulatory fragmentation.

Cultural differences also need to be recognized and respected. While language is the most obvious example, there are broader considerations, such as differing cultural connotations and levels of acceptability around reporting misconduct. For instance, in some environments shaped historically by authoritarian systems, "denunciation" may carry negative associations, which can affect perceptions of, for example, whistleblowing mechanisms and related safeguards, among other factors. Standard setters need to actively work against unconscious bias in this context.

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:

We do not support the idea that greater agility in standard setting in the narrow sense of changes to, or new, standards, since this implies more frequent updates or "reactionary" standards of greater granularity, rather than standards being principles-based and therefore being capable being applied to new circumstances. Standard setters should instead prioritize simplification, usability, and implementation of existing standards. Quick fixes that do not stand the test of time do not lead to durable and robust standard setting that provides a stable platform for the profession and the wider ecosystem.

Nevertheless, the SSBs should be agile in responding to changing or emerging risks, but agility should not be equated with new standards setting. Agility should also mean removing redundant requirements that have become obsolete, and being willing to pause or abandon projects when they are no longer justified. Changes to standards – in particular for IESBA – should be a measure of last resort, used only after more proportionate responses have been appropriately considered.

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

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?

There needs to be greater recognition of the impact of standard setting on the world's largest economies, whether traditionally established or more recently developed. There also appears to be an overemphasis on the voices of regulators and common law jurisdictions. At present, regulatory feedback appears to carry outsized influence in agenda-setting and in the development

of requirements, with too little emphasis on day to day workability for professional accountants—particularly those in smaller firms and organizations. Any new requirements should be underpinned by clear, evidence-based analysis demonstrating a specific shortcoming in the Code or IAASB standards and a well-articulated public-interest case for change of 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

There will be continuing (including voluntary) demand for sustainability reporting and assurance, but not any great general increase. There is likely to be a slightly decreased prioritization of sustainability matters being reported and hence assurance.

IESBA

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 except as noted below.

The focus should be on supporting timely adoption and consistent implementation. Any additional activity by the IESBA should therefore be confined to narrow, practical updates to the IESSA where implementation experience highlights a specific point that requires clarification or amendment. In addition, there may be value in developing limited non-authoritative materials that illustrate how to apply the IESSA in practice and promote consistent application.

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 meaningful level of demand for assurance engagements outside the IESSA scope. The public interest factors that led to the differentiated, and more proportionate, approach in Part 4B of the Code should also be taken into account.

Consideration could be given to whether level of granularity in the requirements of the IESSA might be reduced.

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

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

Changing expectations regarding sustainability information are largely driven by regulatory and geopolitical developments. Similar dynamics of regulatory change and rising expectations have been observed for many years. From an IAASB perspective, these are not developments that can be directly shaped through standard setting, as they are primarily determined by legislators and regulators, with standard setters having only a limited ability to respond.

IESBA

From an ethics standpoint, these developments do not alter the fundamental need for a principles-based approach. If anything, the increasing pace of change further highlights the importance of a stable, principles-based Code that can be applied consistently across a wide range of evolving circumstances. Consequently, in line with our comment under C.1., because the IESBA has only recently issued the IESSA, we do not think it is timely to launch additional major workstreams in this space. The priority should be widespread, consistent implementation, and any further work by the IESBA should be limited to focused, practical adjustments to the IESSA where application experience points to a discrete issue that needs clarification or modification.

We do not support IESBA undertaking a project that considers of need for ethics standards for 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

2 – 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?

Ownership structures is per se a topic that lies outside the scope of IESBA and IAASB standard setting remit. The structure and ownership of accounting firms are determined by legal and regulatory frameworks rather than ethical, quality management or engagement standards, limiting the IESBA's and the IAASB's ability to address these developments directly. The existing ethical, quality management and engagement requirements already apply regardless of the ownership structure and business models of the accounting firms. Nevertheless, an integrated approach from the boards on ethical and quality management is essential to ensure that related risks are addressed consistently from an ethical and quality management perspective.

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

2 – 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?

The topic of the nature and extent of increased involvement of non-professional accountants in the accounting and auditing profession falls largely outside the remit of auditing and assurance standard-setting, as the structure, ownership, and composition of accounting firms are primarily determined by national legal and regulatory frameworks.

In relation to IESBA, we consider it important that the Code of Ethics for Professional Accountants continues to be directed at the accountancy profession, where there are established oversight, monitoring, and enforcement arrangements. Permitting unlicensed individuals to undertake the same engagements as professional accountants (PAs) risks weakening the value and distinctiveness of the PA credential and sits uneasily with the talent-attraction challenges seen in some jurisdictions. If equivalent work can be performed without qualification and accountability, the incentive to become a PA—and to accept the related monitoring and disciplinary framework—may be reduced. For these reasons, we do not support the IESBA developing new requirements, or reshaping the Code, on the premise that it should apply to users other than PAs. 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.

Both the Code and IAASB standards already deal with multidisciplinary teams by placing responsibility on the professional accountant for appropriate authority, supervision, and control over individuals performing professional work under their direction. The Code also requires use of the conceptual framework to identify, evaluate, and address threats to the fundamental principles arising from relevant roles, relationships, and responsibilities — including those involving specialists who are not PAs. In our view, these provisions are sufficiently scalable to address the increased use of non PA specialists, 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

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?

Challenges in attracting and retaining talent within the profession are recognized. However, they fall outside the direct remit of global IAASB and IESBA standard-setting. The attractiveness of the profession is shaped by factors such as firm culture, workload, organizational practices, the regulatory environment, and broader market expectations, which are primarily the responsibility of firms, professional bodies, and regulators.

While standards may have an indirect influence, for example through their complexity and practical application, they are not the underlying main cause of talent-related challenges. Addressing these issues through additional or revised standards would therefore be ineffective and risks extending standard-setting beyond its appropriate scope.

As noted, the complexity and lack of scalability in the standards does have an indirect impact on making the profession unattractive, in particular the complexity and overburdensome nature of the ethical standards may make the profession very unattractive. While not a primary strategic driver in itself, talent trends provide an important signal of how standards are experienced in practice and the overall impact of how they are designed and implemented.

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:

IAASB

The IAASB's standards address quality management and engagement standards for audits, reviews, assurance and related services. As such, the IAASB does not address non-assurance services beyond the related services (currently agreed-upon procedures engagements and compilation engagements).

IESBA

In relation to IESBA, non-assurance services are already covered by the Code and recent revisions have significantly increased the requirements in this area. The focus should instead be on post-implementation reviews of these changes, such as those relating to non-assurance services and fees, to evaluate whether they are proportionate, effective, and have been workable in practice.

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 Third-party reliance – particularly the limited availability, accessibility, and reliability of evidence from external parties, is an increasing concern (see our response to Question 4).

Please describe the additional trend

There is an increasing reliance on information obtained from third parties, driven by advancements in technology, evolving data ecosystems, and more complex value chains (for example in sustainability reporting and supply chain data). This development gives rise to important considerations for both audit and assurance, particularly regarding the reliability of externally sourced information and the appropriate level of assurance to be applied. These considerations are relevant not only for reporting entities but also for practitioners, including in the design and operation of their own quality management systems.

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?

This trend is relevant to both standard-setting boards. A joint SSB effort to identify solutions for the application of existing standards may be helpful and consideration of how one-to-many reports may fill the expectations gap may be a fruitful avenue of approach.

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

O.2 Standard-setting inflation – there is a trend towards increasing complex, regulatory-driven standard-setting

Please describe the additional trend

In recent years, financial and sustainability reporting and assurance requirements have been subject to significant expansion, often channeled through standard-setting initiatives. This has resulted in a level of complexity and volume that places a disproportionate and increasingly unsustainable strain on the ecosystem, with the resulting burden now difficult to justify.

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?

In our view, both standard-setting boards should refrain from extending their activities beyond their core mandates. Recent discussions and initiatives indicate a growing tendency to address areas such as firm culture, governance arrangements, and broader preparer-related matters, including proposals to expand ethical requirements to individuals who are not professional accountants (e.g. CFOs without a professional accounting designation). We believe these areas fall more appropriately within the remit other relevant stakeholders, rather than the standard setting boards. Furthermore, we consider that greater effort should be given to identifying opportunities to streamline and simplify existing standards in joint projects, rather than predominantly focusing on adding new requirements in parallel.

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 : IAASB & IESBA: O2
Rank 2 : IAASB: A1; IESBA: B2
Rank 3 : IAASB & IESBA: O1
Rank 4 : IAASB: A3; IESBA: A1
Rank 5 : IAASB: B2

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.

In our view, greater effort should be given to identifying opportunities to streamline and simplify existing standards in joint projects, rather than predominantly focusing on adding new requirements in parallel.

In terms of coordination, parallel efforts should be avoided completely. Activities should either be conducted jointly or clearly delineated between the Boards. Experience has shown that parallel workstreams do not work.

Whether an initiative is pursued through standard-setting or non-authoritative materials should be informed by appropriate public consultation and only extend to activities that are within the remit of the respective boards. Consideration of public input should be more balanced so that the voice of the profession is not underrepresented, given its central public interest role in applying the standards.

Areas of common interest that may benefit from joint projects include:

A1. Increasing use of emerging technologies

O1. Third-party dependencies

A3. Financial crimes enabled by technology

In addition, if they are pursued, we consider that the following topics should be considered jointly by the standard-setting boards:

a) NOCLAR (non-compliance with laws and regulations)

This impacts ISA 250 and other IAASB pronouncements.

b) Firm culture and governance

This impacts ISQM 1 and other IAASB pronouncements.

c) The growing role of private equity in the profession (potential area)

This impacts quality management and other IAASB pronouncements.