

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:

JSS of Ethics & Auditing and Assurance from the Instituto Mexicano de Contadores Públicos (IMCP)

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

Fernando Ruiz Monroy

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

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

Jurisdictional Standard Setter (JSS) or Other Standard Setter

Please specify the type of accounting firm:

Please specify:

Please specify:

Please specify:

JSS for both Auditing and Assurance, and Ethics

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:

North America

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 believe that the Boards should focus on Quality of standards and maintain a principle base approach for requirements to facilitate the understandability of the global standards for the application in the market. There is a need to improve the interoperability of both Boards in common topics keeping in mind that priorities may not align one hundred percent. Also, we encourage to be more strategic in nature and do not deep dive into detailed/very specific topics.

The pace of changes and evolution of the profession is moving too fast, accounting standards are increasing complexity and therefore, assurance engagements also tend to be more challenging to ensure fair presentation/compliance with the applicable reporting framework. We know that it is important to improve trust in the accounting and assurance profession. Acceptability, implementation and operability of standards are critical going forward. There may be no need to create new standards if tis not strictly necessary but rather promote guidance and other non-authoritative materials to help the profession and tackle emerging trends that are considered significant and could affect quality of the work. Also, consider that the trends presented later in the responses may change in the short time and there will be a need to adjust the strategy to be responsive to current facts and circumstances.

6. SECTION IV: KEY TRENDS IMPACTING THE SSBs

A.1 Digital Transformation – Increasing Use of Emerging Technologies

5 – Increasing in importance

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

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

We agree that digital transformation is rapidly increasing in emerging countries such as Mexico, where there may be opportunities to make assurance engagements more efficient and effective over the next few years and therefore, having this topic on the agenda will allow practitioners from local jurisdictions to get access to sources of information, guidance and other materials in benefit of these types of assignments. We also recognize that digital transformation is affecting company's operations and practitioners are being challenged to gather and obtain sufficient and robust audit evidence to support their audit work; in addition, disruptive technologies may have an impact on independence and ethics.

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

5 – Increasing in importance

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

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

The use of digital assets is increasing in emerging countries such as Mexico, where there may be opportunities for new types of assurance engagements or related services. Therefore, having this topic on the agenda will allow practitioners from local jurisdictions to get access to sources of information, guidance and other materials that will prepare them for engagements with any third parties. Also, ethics materials should cover other topics related to digital assets.

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?

Financial crime is a hot topic for Mexico as the regulators are focusing efforts on money laundry, tax evasion, bribery, corruption and digital impact related to fiscal and regulatory matters. Also, technology is evolving at a very rapid pace outdating the way auditors used to execute the audit work. Moreover, there is an increase in regulations, restrictions and even sanctions due to their pervasive effects. A project which encompasses the inclusion of technology in guidance or any other type of literature will be a benefit for practitioners because of the nature of the responsibilities of the assurance practitioners and the demand of the regulators to increase quality of the audits in respect of fraud or suspicious of fraud linked to financial crimes. Overreliance when using technology plus the automation of processes have an impact on ethics, professional skepticisms and judgements.

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?

Regulatory changes are observable in our jurisdiction as a response from different agencies to modify reforms in customs, labor, money laundry, elections of judges, etc., aiming to increase the quality of the business environment in alignment with other international countries and looking, at the same time, to maintain the rigor of the compliance of entities and practitioners with law, regulation and standards. Implementation and operability of standards become relevant.

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

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?

Contrary to what is happening in many other jurisdictions in terms of moving toward a more national or regional level, our country continues with an emphasis on convergence and adoption of more international standards in the fields of other assurance, reviews and related services engagements plus the international code of ethics. We recognize that there are also certain locally developed standards to comply more with specific regulatory requirements in law issued from a few organisms as well as refining local material applicable to ethics and independence which will cover topics such as professional education and personal sanctions. Implementation and operability of standards will become relevant. Nevertheless, we recognize that other changes may need to be developed locally to focus on events and conditions that may not be anticipated at this time but will result from the evolution of situations in the field of accounting, assurance, ethics and regulations.

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

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?

We have not heard from Professional accountants and other stakeholders, including regulators, the need for a more adaptive standard-setting process. Latest relevant request was covered by the adoption of ISSA 5000 and a project in progress for ethics in sustainability, as the theme is becoming a critical topic in the jurisdiction for both, public interest entities (PIE) and non-PIE. Nonetheless, we recognize the importance of having first time implementation materials for new standards together with any other non-authoritative materials from IAASB and IESBA that could be used to support the local practice.

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?

As mentioned in response to question B2, our jurisdiction is moving forward to convergence and adoption of international standards, so we do not consider this topic to be of increasing importance.

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?

Local Regulators recently issued new legislation, effective for 2026, requesting that all Listed entities prepare and assure sustainability information based on IFRSS and ISSA 5000. Moreover, local Financial Reporting Standard Setter has also issued jurisdictional requirements for non-listed entities that require the disclosure of certain sustainability metrics with optionality to assure such non-financial information. Based on these two previous facts, the country recognizes that this is the first step towards future changes and/or improvements in financial and non-financial reporting for both Listed and non-listed entities. Consequently, as JSS's, we support that IAASB and IESBA continue to include in the strategy and plans, items related to sustainability recognizing that globally there will be an evolution in different non-financial reporting frameworks to tackle more specific needs from a wider range of stakeholders which will not be the exception for Mexico. Both Regulators and the Local Financial Reporting Setter have expressed and emphasized the importance of more corporate transparency and a focus on sustainability reporting going forward. Implementation and operability of standards will become relevant. Post implementation reviews may need to be moved ahead to provide agile responses from both points of view, assurance and ethics. All implementation materials and other documents such as examples, tools, technical reports, FAQ's and guidance will become extremely relevant for practitioners to help promote consistency and aligned standards, ethics and assurance, between each other.

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?

See answer for question C1.

9. SECTION IV: KEY TRENDS IMPACTING THE SSBs

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

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?

In our jurisdiction we have started to hear and see this trend of changes in the ownership structure in local firms that belong to an international network, but we recognize that over the next few years the markets will evolve and investors may look for more attractive opportunities funding accounting firms; triggering a series of considerations in terms of firm independence, dependencies, execution and performance, metrics and compliance with other ethical requirements. We encourage IAASB and IESBA to keep this topic on the agenda to drill down into more details regarding implications for practitioners, intended users and other stakeholders and potential safeguards in respect.

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

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?

More involvement from non-professional accounting and auditing personnel is not new for our jurisdiction as many firms already hire people with different skills either in their own payroll or as practitioner's experts. However, with the recent changes in corporate reporting, especially for sustainability, the firms are requesting other types of professionals with expertise in fields that

were not observed in the past. Evolution in technology has also elicited the need for a different set of skills and backgrounds in professional education. Challenges with the non-assurance background relate to compliance with various firm policies including training, professional skepticism, independence and ethics. Multidisciplinary teams are a "must" now a days and will gain more relevance as regulatory, financial and non-financial reporting frameworks and assurance standards continue to evolve/enhance.

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

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 jurisdiction has seen a decrease in the number of people which background relates to accounting and assurance skills. Other careers seem to be more attractive to young people. There is a perception that our profession is highly risky after achieving certain level of experience, demanding a lot of working hours every day; notwithstanding the need to maintain certifications and continue education programs. These facts have discouraged the new generations and impede attracting and retaining talent. Changes in the business environment and technology have pushed young talent to seek opportunities in other industries and specialties. Quality of work and compliance with policies of accounting and auditing firms faces impacts from the lack of talent and resources available in the professional market. However, the use of Technology and IA could be a new opportunity for attracting and retaining talent. We consider that this trend is more at the firm level response rather than Boards getting involved in detail. It is not clear the direction that it is intended to be taken as a potential response from the standard setting Boards.

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

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?

There are mixed views from the NSS group on this item as we recognize that on one hand, firms are constantly looking for alternative sources of revenue from non-assurance services; however, on the other hand, restrictions on independence and firm policies are getting more robust to prevent any potential conflict of interest or non-compliance with actual ethical rules and assurance standards. Nonetheless, we also agree that pressures on financial metrics, lack of knowledge, and insufficient resources/training across the firm may result in inappropriate or unintended actions causing breaches at the personnel and engagement level. Internal and external inspectors have observed a trend of increases in such aspects and are requesting firms to implement corrective actions to enhance internal controls to avoid having more incidences. We consider that this trend is more at the firm level response rather than Boards getting involved in detail. It is not clear the direction that it is intended to be taken as a potential response from the standard setting Boards.

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

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

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

Rank 4 : D.2 Evolving Structure and Business Models of Accounting Firms - Increased Involvement of Non-Professional Accountants in the Accounting and Auditing Profession

Rank 5 : D.3 Evolving Structure and Business Models of Accounting Firms - Challenges to Attracting and Retaining Talent

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.

1. Nonauthoritative materials on common topics that impact professional standards
2. PIR on LCE and Sustainability for more potential areas of improvement
3. PIR on independence, professional judgement and professional skepticism from ISQMs
4. Avoid duplication of topics that will create inconsistencies in implementation and application