

## 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:

IFAC

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

International Organization

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

#### Please specify:

### 2. Please specify:

Global body for the accountancy profession

#### 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).**

The IAASB and the IESBA (the SSBs) should prioritize clarity of role, effective due process including multi-stage effects analysis, a commitment to high-quality standards and maximizing adoption and implementation during their next strategy period.

IFAC supports the SSBs' need to remain relevant, responsive and impactful in a rapidly changing environment. However, responsiveness should not be equated with continually expanding standards or initiating new standard-setting projects in response to every emerging trend.

A central consideration for the 2028–2031 period is therefore what the role of a standard setter should be in areas such as technology, sustainability and evolving business models. In many cases, the appropriate response may instead be monitoring, implementation support, education, non-authoritative material, coordination with other bodies, or no action rather than standard setting.

IFAC also notes that the structure of this survey, particularly the numerical rating of trends, risks being interpreted as support for standard-setting activity. A trend may be important without implying that new or revised standards are needed. Additionally, many of the identified trends are inherently fast-moving and uncertain. Assessing their future importance is therefore challenging and may not provide a reliable basis for long-term strategic decisions. Further, the survey applies a single rating across both

IAASB and IESBA, even though trends may differ significantly in relevance between the two Boards. Taking all of this into account, we would advise that narrative responses should be weighed more heavily than numerical scores, and any conclusions drawn from scoring should be treated with caution.

Against this backdrop, IFAC believes the SSBs should aspire to deliver high-quality, principles-based, proportionate and globally operable standards that demonstrably serve the public interest and can be adopted and implemented effectively across diverse jurisdictions and practice environments.

To achieve this, IFAC believes the SSBs should:

- Preserve and reinforce principles-based standards- Principles-based frameworks should be capable of enduring in a changing environment without requiring frequent revision. The SSBs should avoid reacting to each emerging issue with new requirements where existing principles can be applied with appropriate support.
- Place quality at the center of their strategies- Global acceptance, adoption and effective implementation of standards are essential markers of quality. This requires greater emphasis on understandable, proportionate and practicable standards as being in the public interest outcomes.
- Adopt a disciplined, evidence-based approach to standard-setting- Standard-setting should not be the default response. The SSBs should clearly define the public-interest issue, demonstrate that a genuine gap exists, assess whether existing standards already address the issue, evaluate cost-benefit and scalability, and consider whether implementation support or non-authoritative material would be more appropriate responses before determining whether standard-setting activity is justified. At the point of releasing an exposure draft, further detailed effects analysis is needed to determine the impact of specific proposals and to communicate to stakeholders how the benefits outweigh the costs. Such analysis should include considerations of impact on preparers, users of the standard and the users of reported information. It is imperative that the impact on SMEs and SMPs is explicitly covered. If benefits commensurate to costs cannot be demonstrated, then standard setting should not proceed.
- Strengthen the full standard-setting lifecycle, including implementation and review.  
Greater emphasis should be placed on adoption, implementation, and post-implementation learning. Standards have become longer and more complex, which can impair adoption and consistency of application. This can also heighten the risk of increasing cost and work effort without commensurate benefits. The SSBs should focus on acceptability, adoptability, implementability and operability, supported by timely post-implementation reviews, analysis of adoption patterns, and structured feedback loops. Practical challenges such as translation, terminology and scalability should be considered in detail with an understanding that quality of implementation also requires sufficient time, moving too quickly to the next major project can undermine the value of standards already developed. The Boards should also strongly consider whether simplification initiatives are needed. .
- Maintain clear remits and avoid scope creep- The SSBs should remain focused on their core mandates and avoid extending into areas more appropriately addressed by others. The central focus should be on ensuring that standards for professional accountants are fit for purpose. Profession agnostic developments or pushing the boundaries of remit (as has recently been the case with IESBA into firm governance and CFO related work where the majority of CFOs are outside the scope of its Code) are especially problematic. Emerging trends should not lead to expansion beyond clearly defined responsibilities.
- Improve stakeholder engagement and balance perspectives- Engagement should be broadened and better balanced across stakeholder groups, including SMPs, preparers, PAOs, practitioners and emerging economies. Input from those directly applying standards should be obtained earlier in the process. More proactivity in engagement with under-represented groups is needed and a rebalancing of the extent to which their views are weighed against others. For example, there is considerable concern that large regulator and oversight body feedback is being disproportionately weighted at present.
- Enhance coordination, but avoid duplication- Coordination between IAASB and IESBA should be purposeful and based on clearly defined shared issues. Not all trends require joint action, and each Board should act within its remit where a clear standards gap exists. Coordination should also extend to other relevant standard setters to support compatible terminology, definitions, timelines, and implementation.

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

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### 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?**

IFAC acknowledges that the increasing use of emerging technologies, including AI-enabled tools and agents, is highly relevant to the environment in which audit, assurance, ethics and independence standards operate. However, rating this trend as important should not be interpreted as support for new or expanded standard-setting.

The SSBs need to be realistic about the difficulty of standards development keeping pace with technological innovation. Standards are intended to be principles-based and should be capable of application as technology changes. The priority should therefore be to determine whether there is an evidenced gap in existing standards, or whether the issue is instead one of application, implementation, education or guidance.

IFAC has rated this trend as a 5, but this rating does not apply equally to both Boards. For the IAASB, emerging technologies may be relevant to the application of existing auditing and assurance standards, and any response should first consider whether guidance, implementation support, education or other non-authoritative material would be sufficient.

For IESBA, the relevance appears less direct. The starting point should be whether the existing fundamental principles, following the fairly recent technology related revisions to the Code, already provide an adequate basis for addressing ethical issues arising from emerging technologies. Any IESBA action should be based on evidence of a gap in the Code, not simply on the emergence of new technologies. Therefore, this trend could be rated lower for IESBA.

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

4 – Slightly increasing in importance

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

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

While rated as 4, this applies primarily to IAASB, not IESBA.

This trend depends on jurisdictional uptake of digital assets and currencies accounting and reporting. The SSBs should not assume a uniform level of relevance, urgency, or readiness across jurisdictions whilst the maturity of accounting and reporting for digital assets is still developing and not all jurisdictions are on the same path or phase of their respective journeys.

For the IAASB, a key issue will be whether practitioners can obtain sufficient appropriate evidence, with increasing dependence on third-party providers, including blockchain service providers, as affecting the availability, obtainability and credibility of audit

evidence.

In addition, audit and assurance considerations should be addressed in coordination with accounting standard setters. As accounting or reporting standards on digital assets are developed, audit and assurance implications should be considered so that the reporting requirements are auditable and the necessary evidence can be obtained.

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

4 – Slightly increasing in importance

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

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

IFAC acknowledges that financial crimes enabled by technology are an important public-interest concern. However, the implications for the SSBs are unclear. This is a very broad topic, and further detail is needed to understand the relevance of this trend specifically to either IESBA or IAASB. It should also be noted that recent revisions to ISA 240 have already sought to strengthen the auditor's responsibilities in this area, and that extensive AML and other legal or regulatory frameworks exist in many jurisdictions to address risks in this area. The implications may also differ significantly between the IAASB and IESBA. The issue may have clearer implications for the IAASB in relation to audit evidence, risk assessment, audit processes and client processes, but much less obvious relevance for IESBA.

For the IAASB, the relevant issue is not preventing technology-enabled financial crime but clarifying how existing audit and assurance standards apply when such risks affect the entity, the audit, audit evidence or risk assessment. Risks could include misuse of AI by fraudsters, management or auditors, and examples such as fake invoices or deepfake evidence. However, existing ISAs already allow such matters to be addressed, which points to the need for gap analysis before any standard-setting response.

For IESBA, there needs to be caution before concluding that new ethics or independence requirements are needed. Existing principles should first be considered.

IFAC therefore encourages monitoring, clarification, education and targeted non-authoritative material before any standard-setting is considered. The SSBs should define the specific issue, identify which Board is affected, assess whether existing standards already address the matter, and avoid expanding auditor or professional accountant responsibilities into areas more appropriately addressed by management, those charged with governance, law enforcement, regulators or jurisdictional authorities.

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

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

4 – Slightly increasing in importance

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

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

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

IFAC agrees that regulatory change is an important trend for the SSBs to consider. However, the key issue is not simply that regulation is changing, but whether the SSBs' responses are proportionate, evidence-based, operable and clearly within their remit. We believe that standards should change based on evidenced public-interest needs, not fluctuate with political cycles.

The SSBs should maintain clear role boundaries and avoid standards that implicitly transfer responsibilities to auditors or professional accountants that properly belong to management, those charged with governance, regulators or other actors.

Standard complexity and regulatory burden have more detrimental consequences for the SME sector, and therefore proportionality, scalability, cost-benefit analysis and SME/SMP impact should be treated as public-interest issues.

IFAC encourages the SSBs to respond to regulatory change by first identifying the specific public-interest issue, assessing whether existing standards already address it, and determining whether the appropriate response is standard-setting, implementation support, guidance, coordination or monitoring. New or revised standards should be undertaken only where a clear gap is evidenced, benefits justify cost and complexity, and SME/SMP and jurisdictional impacts have been properly considered.

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

5 – Increasing in importance

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

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

IFAC agrees that the risk of fragmentation is an important issue for the SSBs. The survey describes fragmentation as a movement away from international alignment toward more national or regional approaches, with potential consequences for cost, administrative burden, uncertainty, and trust in financial and non-financial reporting. The causes of fragmentation should therefore be examined carefully. Fragmentation is likely to occur when the standards are perceived not to serve the needs of a particular jurisdiction. Fragmentation may reflect concerns about the standards themselves, including complexity, cost, scalability, SME/SMP relevance and jurisdictional operability.

IFAC therefore encourages the SSBs to treat fragmentation as both an external risk and a feedback signal. The SSBs should analyze why jurisdictions do not adopt, delay adoption, modify standards, or struggle to implement them. Future work plans should prioritize quality, proportionality, scalability, understandability, cost-benefit analysis and global operability before launching new major standard-setting activity. Simplification of existing standards should also be given due consideration.

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

4 – Slightly increasing in importance

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

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

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

IFAC agrees that agility in standard setting is important, but agility should not be misinterpreted as increased or faster paced standard setting. IFAC believes the SSBs should aspire to be agile through disciplined prioritization, evidence gathering, timely implementation feedback and proportionate interventions. The more important point is whether the SSBs are using the right intervention for the issue identified, distinguishing between full standard-setting projects, narrow scope amendments, implementation support, non-authoritative material, FAQs and other practical tools. Non-authoritative material can be useful where a timely response is needed, but there is risk that such material can be treated by some regulators as pseudo-requirements. This means the SSBs should be clear about the purpose, authority, intended use and limitations of any non-authoritative material.

Agility should also include the SSBs reviewing their own standard-setting process, including whether due process, cost-benefit analysis and post-implementation reviews are sufficiently timely and effective. The standard-setting process itself is a key matter the SSBs should examine, rather than focusing only on external trends.

## **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?**

IFAC supports greater diversity of voices in the SSBs' outreach and standard-setting processes. This should include not only greater geographic diversity, but also stronger representation of SME, SMP, preparer, practitioner, PAO, user and implementation perspectives.

Greater diversity of voices should be pursued to improve the quality, proportionality, scalability, adoptability, and operability of standards. It should not be limited to obtaining more comments from more jurisdictions. The SSBs should ensure that those most affected by standards are meaningfully engaged early in the process, before major projects are undertaken and before key technical directions are effectively settled.

In particular, IFAC believes the SSBs should strengthen input from stakeholders with practical experience applying standards in SME and SMP environments, as well as from jurisdictions with different levels of capacity and implementation maturity. This is essential to understanding whether standards are sufficiently scalable, understandable, cost-effective, and capable of consistent implementation across diverse environments.

For both the IAASB and IESBA, this means strengthening practical implementation input early in the standard-setting process, not only during exposure. For the IAASB, this is particularly relevant to standards intended to be scalable or applicable to less complex entities. For IESBA, it is relevant where the Code is intended to operate globally across different structures, markets, professional roles, and regulatory environments.

## **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?**

IFAC acknowledges that sustainability reporting and assurance remain important areas for the SSBs, particularly given continuing developments in reporting and assurance requirements across jurisdictions. IFAC also recognizes that jurisdictions are at different stages of maturity: in some jurisdictions sustainability reporting and assurance are already developing at pace, while in others they are still emerging.

For the next strategy period, IFAC believes the SSBs should focus first on adoption, implementation, and early learning from recently issued sustainability-related standards. A formal post-implementation review may be premature where adoption is still at an early stage; however, the SSBs should still establish structured mechanisms to identify early implementation issues, practical challenges, unintended consequences, and areas where clarification or support may be needed. Feedback from the Boards' respective sustainability implementation expert groups should be considered in detail and appropriate action should be taken to address implementation concerns.

Broader mechanisms will also be needed to assess adoption intentions, implementation challenges, translation issues, practical application concerns, and whether the standards are being applied as intended. The objective should be to support high-quality implementation and understand real-world application before moving to the next major project.

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

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?**

IFAC agrees that regulatory and geopolitical changes in sustainability reporting and assurance are relevant for the SSBs, particularly as jurisdictions are moving at different speeds and, in some cases, in different directions. The SSBs should therefore prioritize monitoring, coordination with relevant reporting standard setters, and implementation support.

Further work should be grounded in clear evidence of need, including adoption patterns, implementation experience, practical challenges, and any gaps in existing assurance, ethics or independence requirements. It should also consider proportionality, SME/SMP relevance, cost-benefit, and unintended consequences, given the different impacts sustainability-related requirements may have across sectors, entity sizes and jurisdictions.

## **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:**

IFAC acknowledges that alternative ownership structures, including private equity investment in accounting firms, are a real market development and may raise questions relating to auditor independence, ethics, firm culture and quality management. However, firm ownership structures are often shaped by national law, regulation, firm governance and network arrangements. The existence of new ownership models should therefore not automatically be treated as a new SSB standard-setting priority.

IFAC believes the appropriate starting point is to test whether existing ethics, independence and quality management standards remain sufficiently resilient and principles-based to address potential threats arising from different ownership and financing models. Any further action should be based on clear evidence of a gap in existing standards, rather than on the existence of alternative ownership structures alone.

For IESBA, the key question is whether the Code remains sufficient to address threats to independence, objectivity, undue influence and professional behavior irrespective of how a firm is financed or owned. For IAASB, the relevance appears more limited and should be considered through the lens of quality management only where a clear standards gap is evidenced.

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

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

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

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

IFAC acknowledges that accounting and auditing firms increasingly involve specialists from other disciplines, including technology, data science, law, consulting and sustainability. However, the implications for the SSBs need to be defined more clearly before any response is considered.

The SSBs should first clarify whether the concern relates to the use of specialists in audit or assurance engagements, compliance with ethics requirements in multidisciplinary environments, firm governance, or another specific issue. Where existing standards already address the matter, for example, through requirements relating to experts, quality management, or the application of the Code, the priority should be implementation support rather than new requirements.

IFAC does not believe the increased involvement of non-professional accountants should be treated as a standalone standard-setting priority without evidence of a clear public-interest gap. The appropriate response is to monitor the trend, clarify the specific risks, assess whether existing standards remain adequate, and act only where a standards gap is demonstrated.

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

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

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

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

IFAC recognizes that attracting and retaining talent is a significant issue for the accountancy profession. However, IFAC does not believe talent attraction should be treated as a standard-setting objective in itself.

While standards may have an indirect influence, for example through their complexity and practical application, they are not an 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. Such an approach could create the wrong perception and risk undermining confidence in the independence and public-interest focus of the standard-setting process.

That said, the SSBs should consider whether standards are proportionate, understandable, scalable and capable of being applied efficiently while maintaining quality. Excessive complexity and disproportionate requirements can affect the practical delivery of audit and assurance work, increase resourcing pressures, and reduce the accessibility of the profession to future generations.

Accordingly, any relevance of talent attraction should be considered through the lens of complexity, proportionality, operability and implementation, not as a reason to weaken or redirect the purpose of the standards.

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

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

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

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

IFAC acknowledges that the growth of non-assurance service lines may affect accounting firm business models and public perceptions of the profession. However, IFAC does not believe this should automatically be treated as a standalone standard-setting priority.

For IESBA, the appropriate starting point is to learn from the application of existing non-assurance services and fees provisions, including through any planned or future post-implementation review activity. Further action should be based on evidence that those provisions are not operating as intended or that a specific gap exists in the Code.

For IAASB, the relevance appears less direct unless evidence shows implications for audit quality management or engagement quality. Any IAASB action should therefore be tied to a clearly identified quality management or audit quality issue.

More broadly, changes in firm business models should not, by themselves, drive new standard-setting. Any further work should be based on a clearly defined public-interest issue, evidence of a standards gap, and consideration of whether existing standards, implementation support or targeted guidance would be the more appropriate response.

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

**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: Cumulative over-regulation, complexity and cost

**Please describe the additional trend**

Cumulative complexity, cost and over-regulation in international standards, and their impact on adoption, implementation, scalability and proportionality.

**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?**

IFAC believes cumulative complexity, cost and over-regulation should be treated as public-interest issues, not merely as practitioner concerns. Standards that become excessively long, complex or costly to apply can undermine adoption, implementation, scalability and global consistency. They can also have disproportionate effects on SMEs and SMPs and increase costs for the clients and stakeholders the standards are intended to serve without adding commensurate benefits.

The SSBs should place greater emphasis on proportionality, cost-benefit analysis, implementation burden and practical operability when developing their strategies and work plans. This includes assessing whether new or revised standards are necessary, whether existing standards are being applied as intended, and whether additional complexity would deliver benefits that justify the cost.

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

O.2: Effectiveness of the standard-setting process itself

**Please describe the additional trend**

The effectiveness and public-interest responsiveness of the standard-setting process, including how the SSBs identify priorities, evidence the need for action, assess cost-benefit and implementation impacts, engage affected stakeholders, and review whether standards achieve their intended outcomes.

**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?**

IFAC believes the effectiveness of the standard-setting process itself should be treated as a strategic issue for the 2028 - 2031 period, not simply as an internal operational matter.

Future work plans should be based on clear problem statements, evidence of public-interest need, identification of specific standards gaps, robust cost-benefit analysis, and early input from those who will apply and be affected by the standards. This is particularly important where proposed projects may affect SMEs, SMPs, jurisdictions with different implementation capacities, or stakeholders facing significant cost and complexity.

The SSBs should also consider whether their funding, resourcing and project-selection processes create sufficient discipline around prioritization, cost-benefit analysis and the cumulative impact of standard-setting. The ability to undertake more projects should not, in itself, drive expansion of the standards. Future work plans should be constrained by clear public-interest need, evidence of a standards gap, implementation capacity and proportionality.

IFAC also encourages the SSBs to strengthen feedback loops throughout the standard-setting cycle, including root cause analysis before projects begin, clearer assessment of whether issues arise from gaps in standards or from application of existing standards, and timely review of whether standards are achieving their intended purpose after issuance.

**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.2 – Effectiveness of the standard-setting process itself

Rank 2 : O.1 - Cumulative over-regulation, complexity and cost

Rank 3 : B.2 – Risk of fragmentation

Rank 4 : A.1 - Digital Transformation – Increasing Use of Emerging Technologies

Rank 5 : B.3 – Call for greater agility in standard setting

## **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.**

IFAC supports effective coordination between the IAASB and IESBA where matters genuinely cut across audit, assurance, ethics and independence. However, coordination should be purposeful and clearly structured. The SSBs should avoid ambiguous "parallel" work that risks duplication, inconsistent concepts, or one Board taking action that has consequential effects

for the other Board only after decisions have effectively been made.

IFAC believes work should be either genuinely joint, where both Boards have a clear and necessary role, or clearly allocated to the Board whose mandate is most directly relevant. Not every trend requires both Boards to act.

The SSBs should also avoid overlap between standards or concepts. Where a matter is primarily an audit or assurance issue, it should not be reframed as an ethics issue unless there is a clear ethics or independence gap. Similarly, work on firm culture, governance or quality should be carefully scoped to avoid duplication with existing quality management standards.

Where joint work is undertaken, the SSBs should establish a clear collaboration framework at the outset, including:

- which Board owns which issue;
- where a genuinely joint output is needed;
- how terminology and definitions will be aligned;
- how timelines will be coordinated;
- how duplication will be avoided; and
- how impacts on adoption and implementation will be assessed.

IFAC also supports stronger coordination with other relevant standard setters, particularly where audit or assurance standards depend on underlying reporting requirements being capable of audit or assurance. This is relevant in areas such as digital assets and sustainability reporting, where reporting, assurance, ethics and independence considerations need to be coherent but not duplicative.