

## 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:

Keidanren (Japan Business Federation)

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

Ryusei ISHII

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

shihon@keidanren.or.jp

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

Other

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

#### Please specify:

#### Please specify:

#### Please specify:

### 2. Please specify:

Japan Business Federation

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

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Asia Pacific

#### **4. SECTION III: SSBs' STRATEGIC POSITIONING FOR 2028–2031**

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**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).**

To promote and establish the disclosure and assurance of sustainability information on a global basis, it is essential to ensure sufficient feasibility and consistency across frameworks.

As in the field of financial accounting, the ideal would be to establish a system under which disclosure and assurance requirements in all jurisdictions can be met through a single set of disclosure standards and an assurance framework.

Resolving the proliferation of standards and frameworks—often referred to as "alphabet soup"—is an urgent priority.

At present, however, each jurisdiction is independently developing its own framework, and inconsistencies in underlying approaches, terminology, and concepts are undermining the overall coherence of sustainability disclosure and assurance.

As a result, global companies are required to respond to multiple reporting requirements and assurance engagements, creating an excessive burden. If this situation persists, it may lead companies to reconsider their listings or scale back their business operations.

Disclosure and assurance frameworks should not become a constraint on corporate activities, and these burdens should be addressed without delay. To this end, it is essential that global and jurisdictional standard-setters and relevant authorities work in coordination to advance the development of frameworks, including their legal underpinnings.

In light of the above, we strongly expect the SSB to position ensuring consistency between jurisdictional and global frameworks

as a core objective of its next strategic plan and to take a leading role in promoting alignment across frameworks from a neutral and high-level perspective.

## 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?**

Given limited resources, the effective use of technology by all stakeholders - including companies, assurance providers, and users of disclosed information as well as regulators is indispensable to maintaining the quality of disclosure and assurance while ensuring the stable and timely execution of related work.

As corporate disclosure practices evolve, assurance providers must avoid becoming a constraint on such progress.

Accordingly, in addition to deepening the understanding of technology among assurance professionals, it will become increasingly important to advance flexible institutional and regulatory design that enables the smooth adoption of assurance procedures utilizing new technologies.

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

**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?**

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

**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?**

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

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

## Changes

6 – Strongly increasing in importance

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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?**

Discrepancies in regulatory requirements across jurisdictions are already placing a significant burden on global companies, assurance providers, and users of disclosed information. If this situation persists, it could undermine the viability of the sustainability disclosure and assurance framework itself.

As the body responsible for global standard-setting, the SSB should work closely with standard-setters and relevant authorities in each jurisdiction, particularly in the areas of assurance and ethics, to ensure consistency and coherence in underlying approaches, terminology, and concepts, thereby establishing globally consistent assurance standards and rules. In other words, as in financial audits, a system is needed under which a single assurance engagement can, in substance, address requirements across multiple jurisdictions.

Responding to geopolitical developments and the diverse demands of individual jurisdictions is by no means easy. However, if the burden of addressing such challenges is left to individual companies, it could undermine the viability of the sustainability disclosure and assurance framework itself.

We strongly expect the SSB to demonstrate strong leadership in reconciling diverse views and achieving a consistent and integrated framework across jurisdictions.

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

6 – Strongly increasing in importance

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

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

As with B-1

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

6 – Strongly increasing in importance

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

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

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

As with B-1

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

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?**

As with B-1

## **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?**

In recent years, with the further globalization of corporate activities and the increasing diversification of business activities, expectations regarding sustainability information have shifted from aspirational approaches toward a greater emphasis on feasibility.

In light of this, disclosure frameworks should also be designed in a manner that reflects practical realities.

Specifically, the required levels of accuracy for both financial information and sustainability information should be clearly articulated.

In general, user expectations regarding sustainability information differ from those regarding financial information.

Accordingly, the resources devoted by companies and assurance providers need not be at the same level, but should instead be allocated appropriately according to materiality and the characteristics of the information.

Furthermore, recognizing that the assurance of sustainability information is a new specialized field rather than merely an extension of financial audits, it is important to develop frameworks that are practicable for all stakeholders.

### **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?**

As with B-1 and C-1

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

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

5 – Increasing in importance

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

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

The disclosure of sustainability information differs in nature from that of financial information which is traditionally the domain of accountants, and the required levels of precision and stakeholders' expectations also vary.

Across jurisdictions, the knowledge and experience traditionally expected for accountants, as well as the content of qualification systems, do not necessarily appear to have been developed in a manner that meets such needs.

In light of these differences, while ensuring independence in assurance is important, the relevant requirements do not necessarily need to be identical to those applied in financial audits.

Furthermore, providers of assurance need not be limited to certified public accountants, and the participation of professionals with diverse expertise should be promoted.

Even within accounting firms, utilizing a broad range of talent without being constrained by traditional qualification requirements would contribute to institutional design that reflects practical realities.

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

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?**

As with D-1

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

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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?**

As with D-1

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

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?**

It is our understanding that, traditionally, opportunities for engagement with a diverse range of stakeholders have been extremely limited within the financial audit profession. Given the unique environment in which auditors operate, characterized by their third-party role and professionally protected position, there appears to remain a considerable gap in perspective between accountants and those engaged in broader business activities.

In this regard, the expansion of sustainability disclosure and related non-assurance services may also present an opportunity to narrow the gap in perspective between accountants and companies.

Recently, we have observed a clear commitment to active stakeholder engagement, including through this survey, as well as efforts to strengthen engagement with the broader business community, such as through the appointment of non-accountants as core members of the IAASB and IESBA. These developments are highly encouraging.

However, based on the content of this survey, we feel that a considerable gap in perspective still remains. Our understanding is that, in typical corporate communication, emphasis is placed on communicating from the recipient's perspective, using plain language that facilitates understanding, and conveying clear and concise key messages.

In contrast, this survey was overly verbose and difficult for respondents to understand, and required considerable time to interpret.

We feel that there remains significant room for improvement in the fundamental approach and mindset toward engagement and communication.

Rather than focusing on whether a message has been "conveyed," greater emphasis should be placed on whether it has actually been "understood."

We are grateful for this opportunity, and hope that the expansion of sustainability disclosure and related non-assurance services will lead to positive changes and improvements in communication approaches and mindsets, ultimately helping to narrow the gap in perspective between accountants and companies.

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**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.**

## **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.**

It is essential to ensure cross-jurisdictional consistency in institutional design, as well as consistency and coherence in underlying approaches, terminology, and concepts.

In particular, we strongly expect the early development and publication of frameworks under which information prepared in accordance with a single sustainability disclosure standard can, in substance, be assured through a single engagement by global accounting firms.