

2. SECTION I: ABOUT THE RESPONDENT

1. From which perspective are you providing this feedback?

A personal view

Please complete:

Your name:

Kei Tsuchiya

Your organization (if applicable):

The Securities Analysts Association of Japan

E-mail address:

kei-tsuchiya@saa.or.jp

Please complete:

Organization:

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

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

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

User of Financial or Non-Financial Information (e.g., investor, analyst, lender or other creditor)

Please specify the type of accounting firm:

Please specify:

Please specify:

Please specify:

Please specify:

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

Asia Pacific

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

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).

Coordination among the SSBs and with other standard setters and regulators

I welcome the IAASB's and IESBA's decision to conduct this joint stakeholder survey. I understand that the SSBs are independent Boards, each with its own remit, and that they undertake their standard-setting activities independently.

At the same time, through the process of developing users' comment letters on the SSBs' exposure drafts relating to sustainability, I have come to strongly recognize that the SSBs work closely together and that such coordination is indispensable.

With respect to sustainability-related information, the introduction of mandatory disclosures in accordance with sustainability disclosure standards and assurance in accordance with the relevant standards developed by the SSBs is progressing across jurisdictions. In the early stages of adoption, a range of implementation challenges typically arise, and these challenges are likely to continue into the next strategic period. In addition, how professional-agnostic standards will function in practice under different regulatory frameworks across jurisdictions may become an increasingly important issue.

Against this background, I consider that the importance of coordination among the SSBs will continue to increase. Furthermore, in order to understand implementation realities and address emerging challenges, coordination with sustainability disclosure standard setters such as the ISSB, as well as with IOSCO and regulators in individual jurisdictions, is also indispensable.

In this regard, the IAASB Strategic Objectives for Its Current Strategy Period, 2024–2027, explicitly include the objective to "Strengthen coordination with IESBA and other leading standard setters and regulators to leverage better collective actions in the public interest,"

whereas no equivalent objective is articulated in the IESBA's strategic objectives.

For the next strategic period, I believe that the strategic objectives of the SSBs should explicitly include strengthening coordination among the SSBs and with other standard setters and regulators, in order to leverage better collective actions in the public interest.

Periodic review of Board composition

I welcome the transition to a multi-stakeholder model for the composition of the IAASB and IESBA Boards, which has enabled investors and preparers to participate as Board members. Looking ahead to the next strategic period, I expect that the appropriateness of Board composition will continue to be reviewed periodically in light of changing circumstances.

I also note that the perspective of preparers encompasses both those with governance responsibilities and those responsible for executing day-to-day operations. Accordingly, I expect that Board composition will appropriately reflect a balanced consideration of these perspectives.

6. SECTION IV: KEY TRENDS IMPACTING THE SSBs

A.1 Digital Transformation – Increasing Use of Emerging Technologies

6 – Strongly increasing in importance

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

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

The use of AI has the potential to bring about significant transformation not only in audit and assurance engagements, but also in the way corporate information is disclosed more broadly, and is therefore considered to be a highly important matter.

From a user perspective, there are concerns that the process by which AI outputs are generated may become increasingly opaque, leading to the so-called "black box" effect.

With regard to the impact of the use of AI on audit and assurance as well as on ethics, coordination should not be limited to the IAASB and the IESBA. I consider that coordination with accounting standard setters and sustainability disclosure standard setters, as well as with IOSCO and regulators in individual jurisdictions, is also indispensable.

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?

No comment.

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?

I am concerned that advances in technology are making the execution and concealment of fraudulent activities relating to accounting treatments and disclosures increasingly sophisticated, exploiting digital systems, networks, and AI-enabled tools, and that such misconduct may not be adequately detected under existing audit and assurance standards.

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?

I believe that a more balanced approach will be required going forward—one that ensures international comparability while also accommodating jurisdiction-specific characteristics.

In the area of accounting standards, approaches to the equity method differ significantly between Japan and China and other jurisdictions. Similarly, the materiality of sustainability-related risks and opportunities is assessed differently across jurisdictions. Against this background, I consider it desirable that international standards relating to accounting, sustainability disclosures, audit and assurance, and ethics and independence function as a global baseline, while also providing a framework within which jurisdiction-specific characteristics can be faithfully represented.

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?

I hold the same view as expressed in B1.

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

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?

Even where more agile standard setting is required, I consider it important to assess whether coordination among the SSBs and with other standard setters and regulators is necessary, in order to avoid sub optimal outcomes or fragmentation resulting from siloed approaches.

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

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?

I hold the same view as expressed in B1.

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?

Although this repeats a point made in my comments in Section III, with respect to sustainability-related information, mandatory disclosures in accordance with sustainability disclosure standards and assurance in accordance with the relevant standards developed by the SSBs are progressing across jurisdictions. In the early stages of adoption, a wide range of implementation challenges has emerged, and I consider that these challenges are likely to continue into the next strategic period. In addition, how professional-agnostic standards will function in practice may also become an important issue going forward.

In light of these circumstances surrounding sustainability-related information, I believe that the importance of coordination among the SSBs will continue to increase. Furthermore, in order to understand implementation realities and address emerging challenges, coordination with sustainability disclosure standard setters such as the ISSB, as well as with IOSCO and regulators in individual jurisdictions, is also indispensable.

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?

I hold the same view as expressed in 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?

No comment.

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

4 – Slightly increasing in importance

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

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

No comment.

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

4 – Slightly increasing in importance

Please explain why you do not believe this should be considered a relevant trend

for the SSBs:

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

No comment.

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

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?

No comment.

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.

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 : C1

Rank 2 : C2

Rank 3 : A1

Rank 4 : A3

Rank 5 : B3

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.

Although the IAASB and the IESBA are independent standard-setting bodies, the standard-setting activities of the SSBs have a collective impact on the financial and non-financial reporting ecosystem as a whole. In light of this, I consider it critically important to strengthen coordination by identifying, at an early stage, areas in which the SSBs can act jointly or in parallel.

In particular, with respect to sustainability-related information, the introduction of mandatory disclosures and assurance in accordance with sustainability disclosure standards is progressing across jurisdictions, and practice-specific challenges unique to the early stages of implementation have begun to emerge. I consider that these challenges are likely to continue into the next strategic period, and that ensuring the interoperability of assurance standards and ethics and independence standards represents an area in which the SSBs should act jointly or in parallel.

In addition, how professional-agnostic standards will function in practice constitutes a common issue relevant to both assurance and ethics and independence, and I consider this to be an area that warrants coordinated consideration by the SSBs.

Furthermore, in order to ensure that such joint or parallel actions are effective, coordination with sustainability disclosure standard setters such as the ISSB, as well as with IOSCO and regulators in individual jurisdictions, is also indispensable. I consider that advancing the identification of issues, monitoring responses, and sharing insights through such coordination will represent an important area for joint action during the next strategic period.