

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:

WPK

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

Dr. Michael Hüning

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

Michael.huening@wpk.de

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

IFAC Member Body or Other Professional Accountancy or Professional Organization

Please specify the type of accounting firm:

Please specify:

IFAC Member Body or Affiliate

Please specify:

Please specify:

Please specify:

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

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Europe

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

4. As the SSBs look toward the 2028–2031 period, they are reflecting on how to position their strategies and work plans to best serve the public interest within a rapidly changing global environment. This involves careful consideration of how the SSBs remain relevant, responsive, and impactful in their standard-setting and other related work. In that context, what do you believe the SSBs should aspire to achieve during their next strategy period, 2028–2031?

Your answer may touch on different dimensions, for example:

The relevance, responsiveness and impact of the SSBs' standard-setting and related activities.

Broader adoption and effective implementation of the SSBs' standards.

The SSBs' interaction and engagement with key stakeholder groups.

The SSBs' ability to serve the public interest.

The examples above are for illustrative purposes only and should not limit, direct, or otherwise influence your response.

Your answer should address the IAASB and IESBA collectively; however, you may wish to also highlight matters specifically for the IAASB or IESBA (if applicable, you could use separate headings to address such matters).

The Wirtschaftsprüferkammer (WPK) appreciates the opportunity to take part in the IAASB-IESBA Joint Stakeholder Survey.

We are in favor of the joint efforts of both Boards and encourage their coordination wherever possible—not only regarding the Strategy and Work Plan but throughout all phases of standard-setting, ideally well before the start of any new project.

As a starting point, we wish to emphasize that adopting a principles-based approach is essential for the work of both Boards. The developments in many areas as well as in some key trends discussed in this survey tend to be so rapid that the relatively time-consuming standard-setting process does not seem to be able to keep pace with them. Therefore, it is not practical to respond to such developments with more and more detailed and complex requirements and rules. Principles are more appropriate to be quickly adapted to new developments and changes in the environment. Attempting to address every special case or even almost every development with specific rules risks creating an overly complex, inconsistent and impractical framework. Instead, it is important to prioritize the usability of the IAASB standards and the IESBA Code of Ethics.

Furthermore, the profession is currently focused on implementing recently issued standards, particularly ISSA 5000 and IESSA, which more than ever calls for a period of relative calm and some restraint in initiating new standards.

Before launching any new project, a robust gap analysis should be conducted to demonstrate that existing regulations do not adequately address the issue. Where a significant gap is identified, each potential project should be preceded by a clear cost-benefit analysis and justification of its necessity, considering the impact on companies as well as auditors and audit firms.

The WPK principally welcomes that both Boards have taken current trends and challenges in accounting and auditing as a basis for this survey and the Strategy and Work Plan. When assessing key trends, we have focused on their relevance to the audit profession. However, a high importance rating of 5 or 6 ("strongly increasing importance" or "increasing importance") does not automatically indicate the need for a new standard-setting project; existing regulations may already address the issue in a sufficient manner, or enhanced guidance and non-authoritative materials may be more appropriate to support the profession.

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?

IESBA:

The increasing use of emerging technologies is not considered relevant for the Code of Ethics. A principles-based code seems to be most appropriate to be applied also in new technological environments; therefore, an expansion is not deemed necessary.

IAASB:

Technology is basically a very important topic. However, digital transformation is primarily not an issue for new standard-setting, as standards should generally be technology-agnostic. The key question is whether the existing standards are suitable and practicable in digital environments.

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?

IESBA:

No impacts are apparent.

IAASB:

Digital assets are generally considered to be of increasing relevance. However, it is questionable whether the IAASB is required to take action in this area. This seems to be primarily a trend for accounting, e.g. in respect of the valuation of digital assets.

A.3 Digital Transformation – Financial Crimes Enabled by Technology

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?

7. SECTION IV: KEY TRENDS IMPACTING THE SSBs

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

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?

This topic seems more relevant to the IESBA than to the IAASB.

Geopolitical and regulatory changes are not a new phenomenon, but inherent. They lie outside the direct influence of standard setters.

A principles-based framework is more appropriate to respond to changes in the political and regulatory environment. This basic assumption should be the main guideline for the IESBA's work.

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?

IESBA:

The global adoption of the Code is inconsistent; further expansion could exacerbate these differences. The cause of fragmentation is not too few standards, but too many and overly complex ones. Therefore, priority should be given to simplifying the existing Code and improving its usability, rather than introducing new sets of rules.

IAASB:

Fragmentation may arise particularly due to the increasing complexity of standards and an insufficient cost-benefit ratio. We are convinced that consistent application can best be achieved by clearly demonstrating the value of international standards through robust cost-benefit analyses.

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

Agility in Standard Setting

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?

Greater agility in standard-setting is rejected if it would result in more frequent changes or additional standards.

We have already a great number of standards today, and they are becoming increasingly complex and difficult to implement.

Frequent revisions would exacerbate these problems. Instead, standard setters should focus on the simplification and improved usability of the existing standards.

The IESBA Code of Ethics should be stable and principles-based, as frequent changes could impair its effectiveness, usability and acceptance.

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

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:

Diversity of perspectives is important and to be welcomed. However, the key challenge remains the development of clear, practical, and globally applicable standards that meet the expectations of key stakeholders.

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?

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?

IESBA:

The existing Code, taking into account the additions in Part 5, is basically considered sufficient; further expansions are not required at this time. Rather, we would suggest to determine whether the provisions of Part 5, in particular, those relating to independence in the value chain, are practical.

IAASB:

ISSA 5000 is an important global reference framework, but may be adapted or replaced by an own standard in the European Union. The WPK is in favor of the adoption of ISSA 5000 by the European Commission.

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

3 – Slightly decreasing in importance

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

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

Expectations concerning sustainability information are primarily driven by regulation and politics and are not a new topic; standard setters have responded in a sufficient manner with the expansion of the Code of Ethics (CoE) and the issuance of ISSA 5000.

From an ethical perspective, a stable, principles-based IESBA Code is considered essential for its proper implementation by the profession.

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?

IESBA:

With regard to evolving alternative ownership structures, we note that these are governed by national laws and regulations but should not be regulated by international standard setters. However, compliance with existing professional and ethical requirements as stated in the current Code is of utmost importance and must be ensured.

IAASB:

For the IAASB, this topic is not relevant for standard-setting.

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?

We do not see any need for action at the moment. The IESBA project "Using the Work of an External Expert" has been completed, and subsequent impacts have been considered by the IAASB.

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

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

The attractiveness of the profession is very important indeed. At the moment, it seems that the profession is becoming increasingly appealing to young talent (especially due to sustainability and new technology, as well as the profession's resilience in crises).

However, this is not considered an issue for either Board for the time being.

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?

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

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

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

Both boards should limit their activities to the areas of their mandates, i.e. to "auditing, quality management, review, other assurance and related services" and "ethics (including independence) for professional accountants". Where professional accountants or accounting firms provide non-assurance services the provisions of the extant IESBA Code are considered sufficient.

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

10. SECTION IV: KEY TRENDS IMPACTING THE SSBs - OTHER TRENDS AND RANKING

6. Are there trends or related areas or matters that you believe the SSBs should consider that are not covered? If so, please provide details.

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 : As far as the evaluation of the trends is concerned, we refer to the ranking and the additional explanations given in respect of the individual topics above.

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.

n/a
