Response ID:139 Data

2. (untitled)

Please indicate if you are responding as an individual or on behalf of your organization?

Responding on behalf of your organization.

Please complete:

(ii) Approximate years of professional experience:

Please provide the following information and other contact information:

Your organization's name, if any (if you are responding on behalf of an organization[2])

Your name and job title / role:

Your email address:

Your jurisdiction/country:

Please provide the following information and other contact information:

Your organization's name, if any (if you are responding on behalf of an organization[2])

Deloitte Touche Tohmatsu Limited

Your name and job title / role:

Denise Canavan – Deloitte Global Independence Leader

Your email address:

decanavan@deloitte.com

Your jurisdiction/country:

Global

Please indicate the geographical profile which best represents your situation, i.e., from

which geographical perspective are you providing your responses?

Global

Please indicate the stakeholder group to which you belong, i.e., from which perspective are you providing your responses?

Accounting Firms

3. (untitled)

Has your jurisdiction adopted the Restructured Code (2018 edition and onwards)? (Please choose the most representative answer)

(a) Yes, through full adoption with no modifications of the Code (Please (i) specify the latest edition of the IESBA Code that has been adopted, e.g., 2018, 2024, etc., and (ii) provide the links to the local Code or the specific announcement of the adoption or issuance of the local Code): Deloitte's global independence policy applies to all Deloitte member firms and is based on the latest effective IESBA Code of Ethics. The language in the global policy aligns with the drafting and structure of the IESBA Code. The global policy is further supplemented with the independence standards of the US Securities and Exchange Commission and the Public Company Accounting Oversight Board. Deloitte member firms add local jurisdictional independence requirements to the global policy to comply with all applicable independence rules.

If you have answered (a), (b) or (c), was the local Code translated? If yes, please indicate the language in which the local Code was translated.

No

4. (untitled)

For JSS, PAOs, Regulators or Oversight Bodies, and Accounting Firms only

What guidance or educational materials has your organization issued, or what programs has your organization developed, to support understanding of how to use the local Code or provisions? (Select all that apply and provide links)

Other (Please specify): Deloitte Global provides guidance and education to the network through webcasts and other learning programs to support understanding of the requirements and application material in the global independence policy. Individual member firms are responsible for providing guidance on local requirements in their respective jurisdictions.

For individual PAPPs and PAIBs only

What guidance or educational materials have you received or accessed with respect to how to use the local Code or provisions? (Select all that apply)

5. (untitled)

For JSS, PAOs, Regulators or Oversight Bodies, and Accounting Firms only

Does your organization offer guidance to individual professional accountants, accounting firms, or other users on the application of the local Code or provisions if they seek such assistance? (Select all that apply)

Other (Please specify): In addition to providing training and guidance to member firms, Deloitte Global provides technical expertise, as needed, to support with the application of the Code.

For individual PAPPs and PAIBs

Do you have access to guidance on the application of the local Code or provisions in your jurisdiction if you seek such assistance? (Select all that apply)

6. (untitled)

For JSS, PAOs, Regulators or Oversight Bodies or Accounting Firms

Which inquiries or questions relating to the structure and drafting of the local Code or provisions has your organization commonly received? (Please provide details, including from which stakeholder groups the inquiries or questions arose)

Questions addressed by Deloitte Global generally relate to practical application of the Code rather than to its structure and drafting.

For individual PAPPs and PAIBs

Which specific structure or drafting matters pertaining to the local Code or provisions have you inquired or raised questions about? (Please provide details)

7. (untitled)

Is the building-blocks approach of the IESBA Code simple and clear, and does it help in navigating the Code?

Yes

Comments:

Is the “Guide to the IESBA Code” helpful in explaining how the Code is structured and should be applied?

Yes
Comments:

8. (untitled)

Is it clear within each Section that a professional accountant (or firm as appropriate) has the responsibility to comply with the fundamental principles and apply the conceptual framework?

Yes
Comments:

Does the IESBA Code’s approach to delineating requirements (“R” paragraphs) from application material (“A” paragraphs) make it clear what a professional accountant’s or firm’s obligations are?

Somewhat (Please explain your response)
Comments: We noted that in certain areas of the Code, in particular Part 5, "hidden" requirements exist in application material. See our response to question 27 for further details.

Is it sufficiently clear that the Code is scalable and proportionate?

Yes
Comments:

If your organization has responsibility to enforce compliance with the provisions of the Restructured Code, has the delineation of requirements and application material helped with enforceability?

N/A as do not enforce the provisions of the Restructured Code
Comments:

9. (untitled)

Is the language used in the Code clear, readable and understandable?

Somewhat (Please explain your response and provide examples with reference to specific provisions in the Code which you consider may not be clearly drafted)
Comments: One of the key objectives of the 2017 restructuring of the Code was to improve drafting clarity. This included using simpler and shorter sentences, simplifying complex grammatical structures, increasing the use of the active voice, avoiding legalistic and archaic terms and clarifying the responsibilities of professional accountants and firms. The original restructured sections in Volume 1 of the Code demonstrate reasonable adherence to these principles. More recent additions, in particular

the 2024 Tax Planning standard (Sections 280 and 380), the 2025 Using the Work of an External Expert pronouncement (Sections 290 and 390) and the sustainability-related material in Volume 2, reflect a shift toward longer and more complex sentences, making the expected obligations more difficult to understand.

Is the language used in the Code easy to translate?

Somewhat (Please explain your response and provide examples with reference to specific provisions in the Code which you consider may not be easy to translate)
Comments: Deloitte Global is of the view that translation challenges are not always given sufficient consideration. Some provisions contain unnecessarily long, complex or heavily qualified sentences that are difficult to understand and are therefore likely to present additional challenges in translation. As the Code is intended for global application and is translated into numerous languages, drafting that is clear, concise and structurally straightforward is essential to preserving consistency of meaning across jurisdictions. Examples include paragraphs 120.5 A6-A8, 300.7 A6, 320.11 A1, 600.6 and 601.5 A2. We note that all of these provisions were added after the 2017 restructuring effort, which demonstrates the need to adhere more closely to the project's drafting principles

10. (untitled)

Is an individual PAPP's responsibility in relation to independence clear?

Yes
Comments:

Is a firm's responsibility in relation to independence clear?

Yes
Comments:

Is a network firm's responsibility in relation to independence clear, and is that responsibility clearly distinguished from a firm's responsibility?

Yes
Comments:

11. (untitled)

Other Comments

Are there any other comments relating to the structure and drafting of the IESBA Code that the IESBA should consider as part of this PIR?

Overall, Deloitte Global believes that the Restructured Code, and particularly the drafting conventions introduced through this project, have significantly improved the clarity, readability and understandability of the Code. The clear distinction between requirements and application material, improved structure, and greater use of plain language have made the Code more accessible and easier to navigate, translate and apply in practice.

However, in our view the drafting convention has not been applied consistently in subsequent projects, and this inconsistency has become more pronounced over time. The more recently developed sections, including the Tax Planning provisions and certain sections of the IESSA, contain examples of drafting that depart from the principles established during the restructuring project.

For example, paragraphs 120.5 A6 and 320.11 A1 depart from a "plain English" approach; paragraphs R410.25 and R410.26 use dense cross-referencing and unnecessarily complex sentence structures; and Sections 5405 and 5406 introduce a new numbering format that makes those sections more difficult to navigate. Some paragraphs also use language such as "are expected to" (for example, paragraphs 120.13 A3, 200.5 A3 and 5100.1a) outside the established drafting conventions, which creates uncertainty as to whether the text is intended to impose requirements. Paragraph 5400.3b defines scope and imposes conditions that determine when the sustainability assurance practitioner is required to comply with the IESSA, but there is no related requirement explicitly requiring compliance with the IESSA in these circumstances.

We also observed that the Conceptual Framework, while fundamentally sound, has accumulated drafting issues as new material has been added over time. These include extensive repetition of standard formulations, structures that make the text harder to follow, and some exceptionally long and complex sentences (for example, paragraphs 120.5 A6 and 5120.5 A4) that are difficult to read and likely to present translation challenges.

In our view, these issues do not diminish the overall success of the Restructured Code. Rather, they demonstrate the importance for the Board to consistently apply the original drafting convention as the Code evolves.

As part of this post-implementation review, we encourage the Board to review and, where appropriate, redraft the sections that diverge from the convention to preserve the clarity and accessibility that the Restructuring Project was intended to achieve.