Response ID:118 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])**

KPMG International

**Your name and job title / role:**

Karen Bjune, Managing Director, Global Ethics & Independence

**Your email address:**

kbjune@kpmg.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): We are providing this response from the perspective of a global accounting network that supports member firms operating across multiple jurisdictions. We adopted the 2018 Code as a global baseline, and member firms comply with that baseline except where local laws or regulations require otherwise. Our responses reflect a broad view based on implementation and use of the Restructured Code across a range of jurisdictions and regulatory environments.

**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.**

N/A – translation of the local code is done at the member firm level.

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)

Technical guidance (e.g., FAQs)
Education/training programs (e.g., webinars, CPD programs)
Articles, publications or newsletters (e.g., updates about standards, case studies or illustrative examples)
Other (Please specify): Technical guidance and training are provided to member firms by the global ethics and independence function to support consistent interpretation and application throughout the network. Member firms are able to adopt these materials and supplement them with jurisdiction-specific guidance for their professionals.

# *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): Global guidance materials were created or refreshed during implementation of the Restructured Code to reflect its new structure. The global ethics and independence function also designs and delivers training and communications on new IESBA standards, including the Restructured Code, through multiple formats and delivery methods. Professionals in member firms have access to an online inquiry system to obtain assistance with implementing and applying the Code. Member firms remain responsible for addressing local ethics and independence requirements where incremental to the IESBA Code and for guiding their professionals on the application of such.

## *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)**

Inquiries at the global level have typically focused on the application of specific requirements in the Code rather than the structure of the Code itself.

## *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:** The building blocks approach is generally clear and works well particularly once users are familiar with the Code. However, usability could be improved through better digital functionality. The e-Code should be re-established and enhanced to include features such as links to defined terms, cross-references between related sections and amended sections (e.g., for standards that are not yet effective), and direct access to relevant guidance, FAQs or examples. Because the Code is organized by topic, users do sometimes need to navigate across sections to identify how requirements vary under different circumstances. See response under question 30 for the example of network firms. An enhanced electronic version of the Code could incorporate functionality to enable users to identify, in a single location, all requirements relevant to a particular fact pattern. Bringing more of this support directly into an electronic version of the Code would significantly enhance user experience.

## 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?

Yes

**Comments:** The distinction between requirements and application material is clear and effective. As the Code is increasingly accessed through digital tools, including AI-based tools, it is increasingly important to maintain clear drafting so that these tools can reliably distinguish between requirements and application material.

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

Yes

**Comments:** In addition to the sections of the Code that apply only to public interest entity audit clients, which are scaled by design through their scope, the Code's use of principles enables scalability and proportionality. The principles in the Code, as opposed to prescriptive requirements, are inherently more scalable and proportionate, allowing firms to determine how best to comply with the principles depending on their particular circumstances.

## 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?

**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:** The language is generally clear and readable, and the simplified drafting compared to earlier versions of the Code is helpful. However, there are areas where further enhancements could support more consistent interpretation: o Certain distinctions in wording, such as differences between terms like "must," "should," or similar language, may not always be interpreted consistently, particularly when content is accessed through digital or AI-assisted tools o Defined terms are essential to understanding the requirements, however, it is not always clear when a term has a specific defined meaning without separately checking the glossary o For a global audience, particularly non-native English speakers, certain wording may still be difficult to interpret consistently, leading to a lack of clarity about the intended meaning of some provisions. Further improvements in plain language, clearer terminology, and better visibility of defined terms would make the Code easier to use particularly across different jurisdictions and languages.

### 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:** Translation of the Code is done by member firms, rather than at a global level. Feedback from our member firms where English is not the first language indicates that while the Code is generally translatable, there are practical challenges that can affect consistency of interpretation. Areas of difficulty reported include: o Differences in translation approaches across jurisdictions, with some translating very literally and others adapting wording for readability, which can lead to differences in how provisions are understood o Certain concepts, technical terms, and specific wording do not always have direct equivalents in other languages. and literal translation may not always convey the intended meaning o These potential differences require clarification to determine the intended meaning o Additional challenges arise where terms have a specific technical meaning within the Code that differs from their everyday meaning, or where precise wording needs to be reflected consistently in translation (for example, "significant" vs "material") Continued use of plain language, clearer and more consistent terminology, and careful consideration of how terms translate across languages would support more consistent understanding globally. There may also be an opportunity to further enhance the standard-setting process by using technology, including AI-based tools, to help identify terms or phrasing that could create translation or interpretation challenges across languages. Incorporating this type of analysis in the drafting process could help improve clarity before a new standard of the Code is finalized.

## 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:** The general responsibilities of network firms are understandable, and the Code does clearly distinguish between firm and network firm responsibilities. However, as noted under question 19, it can be difficult to identify and pull together all relevant requirements for network firms. For example, not all network firms need to be independent of the client in every instance, such as when a firm is reporting to a non-network firm in a group audit or when a firm is providing sustainability assurance for a value chain component. The provisions are spread across different sections of the Code, and users need to go to multiple locations and understand where to look to fully understand the obligations. The ability to bring this information together more clearly, for example through use of technology, additional guidance, or improved navigation, would make it easier for users to understand and apply network firm responsibilities in practice.

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?

The restructuring has improved the overall clarity and organization of the Code. Based on implementation experience, further enhancements could focus on usability and accessibility. In particular:

o Enhancing digital functionality, including reintroducing an interactive electronic version of the Code with improved navigation and links

o Including features that allow users to compare different versions of the Code and track changes over time (particularly helpful for translation)

o Considering how the Code is used in practice, including through AI and other digital tools, rather than only being read directly

o Ensuring the electronic version of the Code and related resources are accessible in a way that can also be used by AI and other digital tools, without click-through acceptance screens or similar access barriers that limit machine readability and usability

o Making defined terms more visible within the Code so users can more easily identify when a specific meaning applies

o Improving how non-authoritative materials are accessed, for example through links from the relevant sections of the Code

o Continuing to simplify language and terminology to support clarity and ease of use across different jurisdictions