RESPONSE by PRICEWATERHOUSE INTERNATIONAL LLP

JULY 1ST 2026

IESBA Post-Implementation Review (PIR) Survey

Structure of the IESBA Code

Introduction

This survey is only applicable to respondents that have adopted or use or benefit from the 2018 or later edition of the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code). Part 5 of the Code as contained in the International Ethics Standards for Sustainability Assurance (IESSA) is outside the scope of this survey and only becomes effective in December 2026.

1. The International Ethics Standards Board for Accountants (IESBA) is conducting a post-implementation review of the structure and drafting of the Code.

2. This survey seeks to obtain input from a broad range of stakeholders to enable the IESBA to determine:

   (a) Whether the restructuring of the Code through revising its structure and redrafting its provisions[1] has achieved its intended purpose by identifying:

   (i) Benefits from the restructuring of the Code; and

   (ii) Any practical challenges or questions regarding the understandability and usability of the Code, including whether it is being consistently understood and applied; and

   (b) What actions, if any, are needed by the IESBA to address identified matters.

3. The responses received will be analyzed for purposes of providing feedback to the IESBA and in developing recommendations for any actions.

4. The survey comment period starts on April 1 and ends on July 3.

Survey Responses to be Made Public

5. Unless confidentiality is specifically requested, respondents' submissions will be considered a matter of public record and will be posted to IESBA's website. Where confidentiality is requested, the IESBA Project Team will include such input in its analysis on an anonymized basis.

Survey Instructions

6. Respondents to the survey are asked to provide their responses only on the questions applicable to the stakeholder group to which they belong:

   - Part A — Demographic Information (All Respondents)

[1] The restructured Code was issued in April 2018.

- Part B — General Information (All Respondents)
- Part C — Usability and Clarity of Language and Responsibility (All Respondents)
- Part D — Clarity of Responsibility (Individual Professional Accountants in Public Practice, Accounting Firms, Regulators or Oversight Bodies, Professional Accountancy Organizations)

7. Respondents may respond to all questions or only selected questions or matters. All responses to this survey, whether complete or partial, will be accepted and considered as input for the IESBA Project Team's analysis.

8. Please read the overview of the structure and drafting enhancements which can be accessed here. The drafting guidelines that were adhered to in restructuring the IESBA Code can be accessed here.

Part A – Demographic Information (All Respondents)

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

   (a) If you are responding as an individual:

      (i) Please indicate your jurisdiction

      (ii) Approximate years of professional experience:

         - Less than 5 years
         - 5–10 years
         - 11–20 years
         - More than 20 years

   (b) If you are responding on behalf of your organization, please indicate the geographical profile which best represents your situation, i.e., from which geographical perspective are you providing your responses?

      - Global
      - Regional *(Please specify)*
      - Multiple jurisdictions *(Please specify)*
      - Single jurisdiction *(Please specify)*

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

   - Jurisdictional standard setters (JSS) *(Please indicate the users of your standards as a JSS, e.g., individual Professional Accountants in Public Practice (PAPPs), professional accountants in business (PAIBs) and/or accounting firms)*
   - Professional accountancy organizations (PAOs) *(Please indicate whether your members are PAPPs and/or PAIBs)*
   - Regulators or oversight bodies *(Please indicate which of the following you regulate or oversee (select all that apply): PAPPs (including auditors), PAIBs, accounting firms (including audit firms), none of the above)*
   - Individual professional accountants in public practice (PAPPs) and accounting firms

- Professional accountants in business (PAIBs)
- Other users or beneficiaries of the Code (Please specify) (e.g., investors or other users of financial statements, those charged with governance, academics)

11. 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]) PwCIL
    - Your name and job title / role Sarah Isted, Global Regulatory and Policy Leader
    - Your email address sarah.t.isted@pwc.com
    - Your jurisdiction Global

This response is submitted on behalf of the PwC network of firms. The responses are based on the views of those in the network involved in setting network policies, procedures including the Global PwC Code of Conduct, together with the views of a sample of individuals involved in ethics and independence matters at firm level. Due to the nature of the survey, it should not be read to necessarily express the views of individual partners and practice staff who rely on PwC network resources (rather than interacting directly with the Code).

Part B – General Information (All Respondents)

The revised structure and redrafted provisions of the IESBA Code from the Structure Project were integrated into the 2018 Revised and Restructured IESBA Code (Restructured Code).

Other revisions which were concurrently developed were integrated into the 2018 Restructured Code. Subsequent new or revised standards which were incorporated into later editions of the Code have all been structured and drafted consistently with the enhancements made in the Structure Project.

Accordingly, the following questions seek to understand the adoption status of the Restructured Code (2018 edition and onwards) in respondents' jurisdictions, relevant educational materials and guidance that have been issued or used by respondents, and the inquiries or questions related to the structure and drafting of the Restructured Code that have been commonly received or experienced by respondents.

Note:

In this survey, adoption (full or with modifications) refers to the formal acceptance and incorporation of the IESBA standards into your jurisdiction's national laws, regulations or professional requirements.

Convergence is where a jurisdiction aligns its national ethics (including independence) standards or provisions with the IESBA standards through a process that seeks to eliminate or minimize differences between the IESBA and national standards or provisions. This includes a process where an IESBA standard is used as a basis to develop the local standard or provisions.

Adoption status (Only for respondents that are JSS, PAOs, Regulators or Oversight Bodies, Individual PAPPs or Accounting Firms)

12. Has your jurisdiction adopted the Restructured Code (2018 edition and onwards)? *(Please*

[2] If you respond on behalf of a global organization, the jurisdiction (or name of the country) in which you work. If you are responding on behalf of a global organization, please indicate "Global" as your jurisdiction.

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)*

As a network we base our network resources including internal policies (covering independence, ethics and risk requirements and processes) as well as the Global PwC Code of Conduct and PwC Tax Code of Conduct on the latest, extant version of the Code (taking into account the effective date of new IESBA Standards and pronouncements). The Global Code of Conduct applies to all partners and staff in PwC member firms, and the Tax Code of Conduct applies as well to tax professionals.

The Global PwC Code of Conduct

is designed to embed the principles and values from Part 1 of the IESBA Code in an accessible way that resonates with all our people, regardless of their role. For more technical and detailed requirements, particularly around independence, partners and practice staff primarily access PwC network policies and guidance that operationalize the Code's provisions, rather than navigating the Code directly. This approach is intended to drive consistent understanding and application across the network. Individual firms in the network may translate internal policies, as necessary.

Commented [A(1]: Suggestion as we only reference the Code in the following.

Commented [A(2R1]: amended thanks

Commented [A(3]: do we need to mention the TCoC as well as it is mentioned in the previous paragraph?

Commented [A(4R3]: I'd say not here.

Guidance and Educational Materials

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

13. 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)* Policies, Code of Conduct, supporting guidance and annual independence, ethics, and compliance conferences
- None

At a network level we have developed a wide range of resources including policies, supporting guidance, education and training programs, and the Global PwC Code of Conduct. Changes to internal policies and the Global PwC Code of Conduct are communicated, inter alia, when there are changes to external standards including the Code.

To ensure that the concepts and requirements in the Code are well understood and applied we have had to develop an extensive range of guidance notes, notably in the areas of financial interests, close business relationships, technology and non-assurance services.

The Global PwC Code of Conduct, updated in 2024, includes "What if?" guidance on the application of the Code.

Individual firms supplement the network resources, as needed, for example through the development and delivery of tailored education and training programs, which often include case studies. These can be focused on individual/practice needs or can be firm-wide annual updates and reminders.

PwC firms also have mandatory annual training on ethics and independence topics for partners and staff, and the content addresses changes to the external requirements (such as the Code), internal policies and other matters that are of particular relevance in the current environment or evolving topics. Firms develop further training and communication topics to address matters particularly relevant to them. In addition, concepts on ethical behaviour, including professional skepticism, services or relationships that might create threats to our objectivity, the need to maintain confidentiality etc are also emphasised in other network resources such as the PwC audit methodology and work programmes used by engagement teams to perform their work.

For individual PAPPs and PAIBs only

14. 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*)

- 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)*
- None

Other Support

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

15. 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)*

- Ethics hotline or equivalent (e.g., for technical queries, application questions on how to use the local Code or provisions). All PwC firms have ethics and independence teams who provide, inter alia, consultations on ethical and independence matters. These consultations are based on internal resources but have regard to the Code, as appropriate. Our Ethics, Compliance and Independence community regularly discuss trends, updates and emerging issues and developments.
- Discussion forum (e.g., for sharing knowledge)
- Other *(Please specify)*
- None

For individual PAPPs and PAIBs

16. 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)*

- Ethics hotline or equivalent (e.g., for technical queries, application questions on how to use the local Code or provisions)
- Discussion forum (e.g., for sharing knowledge)
- Other *(Please specify)*
- None

Inquiries and Questions

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

17. 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)*

    As noted above, our practice teams may have questions on the interpretation and application of PwC network and local policies and consult thereon. Accordingly, questions relating to the structure and drafting conventions are not common.

    That said, we observe that the Code is an increasingly long document with some complex concepts. For example, our independence teams at the firm level often receive questions relating to the application of the Code to related entities of the assurance client and also to firms outside the network who participate in a PwC group audit.

For individual PAPPs and PAIBs

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

Part C – Usability and Clarity of Language and Responsibility (All Respondents)

The overview below provides brief background to the questions that follow regarding specific aspects of the restructuring or redrafting of the IESBA Code.

Building Blocks Approach

The Restructured Code has four Parts which are focused on all professional accountants (Part 1), professional accountants in business (Part 2), professional accountants in public practice (Part 3), independence for audit and review engagements (Part 4A), and independence for other assurance engagements (Part 4B).

A building blocks approach was applied whereby Part 1 applies to all professional accountants but is not repeated in subsequent Parts. Rather, the provisions in subsequent Parts are incremental in nature and build off Part 1.

Each Part includes various Sections to address specific topics. Each Section of the Restructured Code is structured, where appropriate, as follows:

- Introduction – sets out the subject matter addressed within the section and introduces the requirements and application material in the context of the conceptual framework.
- Requirements – establish general and specific obligations with respect to the subject matter addressed.
- Application material – provides context, explanations, suggestions for actions or matters to consider, illustrations and other guidance to assist in complying with the requirements.

To guide users in navigating the provisions in the Code, a “Guide to the Code” was added.

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

- Yes. We understand that Parts 2, 3 and 4 of the Code build on Part 1 and that each of the other Parts address specific subject matters that are relevant to the intended audience. Overall, such an approach is clear and works well. However, there can occasionally be some confusion in terms of application in those circumstances where Part 4 refers back to Part 3 (e.g. in the case of gifts and hospitality and inducements) or when a topic is covered in Part 3 (notably Custody of Client assets) but not in Part 4.]

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

- Yes

Emphasizing Compliance with the Fundamental Principles and Applying the Conceptual Framework

To emphasize a professional accountant’s responsibility to comply with the fundamental principles and apply conceptual framework:

- An overarching requirement was included in Sections 200, 300, 400 and 900; and
- Reference to the requirement to apply conceptual framework is included in the introductory sections of the remaining Sections within Parts 2, 3 and 4 of the Restructured Code.

21. 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

Distinction Between Requirements and Application Material

To give more prominence to obligations set out in the Code (including specific prohibitions) and separate them from guidance or explanatory material, requirements are clearly distinguished from application material:

Requirements are designated with the letter “R” and, in most cases, include the word “shall”. The word “shall” in the Code imposes an obligation on a professional accountant or firm to comply with the specific provision in which “shall” has been used. In some situations, the Code provides a specific exception to a requirement. In such situation, the provision is also designated with the letter “R“ and is linked to the requirement to which they pertain by using the phrase “as an exception to.”

Application material is designated with the letter “A.” Such provisions will follow the requirement that they are explaining.

Requirements will not reference application material to avoid blurring the distinction between requirements and application material.

Scalability

The Restructured Code was organized to illustrate the Code's scalability by giving greater prominence to the overarching requirement to comply with the fundamental principles and apply the conceptual framework, followed by specific requirements.

Requirements that apply to firms when providing professional services to public interest entities (PIEs) are located after requirements that apply to other entities.

22. 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

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

- Yes

Somewhat *(Please explain your response)* We acknowledge that the Code as drafted is scalable in the sense that the independence provisions (in particular) reflect appropriate and different responses depending on whether the client is a public interest entity or not. Furthermore, application of the conceptual framework allows for a proportionate response depending on the facts and circumstances. However, there are a significant number of requirements in the Code, which are not scalable in practice in the sense that the firm or practitioner is obligated to comply with the requirements as drafted. We also note that some parts of the Code are very detailed and prescriptive, rather than setting out broader principles. For example, certain requirements on inducements involving close family members set out specific actions in narrowly defined scenarios (and similarly some of the new tax sections). While this is intended to provide clarity, it can result in requirements operating at a very granular, scenario specific level, rather than at a principles level. This can make the Code less flexible and harder to apply across a wider range of circumstances, particularly where facts do not align neatly with the scenarios addressed in the Code.

24. 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) Firms do not have an external enforcement role. However, individual firms are responsible for maintaining an effective system of quality management, and their internal testing and monitoring processes take compliance with the Code into account through the adoption of PwC network resources. In this context, the distinction between requirements and application material is helpful.

Clarity of Language and Readability

The Restructured Code was redrafted to increase the clarity of language to improve its readability and understandability, including use of simpler and shorter sentences, simplifying complex grammatical structures, and avoiding legalistic and archaic terms.

Further, to minimize the risk of ambiguity and confusion through inconsistent use of terms, the IESBA agreed that:

- When the word "may" is used in the Code, it denotes permission to take a particular action in certain circumstances, including as an exception to a requirement. It is not used to denote possibility.
- When the word "might" is used in the Code, it denotes the possibility of a matter arising, an event occurring or a course of action being taken.

25. 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)*

While we believe that the language used in the Code results in the Code being readable and understandable, there are times when important concepts are not clearly defined or explained in the Code. For example, the concept of "direction, supervision and review" (as used in 290.4 and 390.4) is not explained in the Code, and is one drawn from Assurance concepts established by IAASB. Its use in the Code, and notably in relation to the provision of non-assurance services, is not wholly clear.

However, as noted above, to ensure that the concepts and requirements in the Code are well understood and applied we have had to develop an extensive range of guidance notes, notably in the areas of financial interests, close business relationships, technology and non-assurance services.

We would also note that very long sentences can hinder an understanding of the Code and we would encourage IESBA to focus on being concise and succinct wherever possible.

26. 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)* There are inevitable challenges in translating a long and complex document which includes some complex terms and provisions. As explained, our PwC resources are based, inter alia, on the English version of the Code and are communicated throughout the network in English. Individual firms sometimes translate all or some of those internal policies and this can result in challenges in understanding certain terms or phrases in the Code. For example, the concept of "indirect" effect is not easy to translate.

Other Comments

27. 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?

    While not directly related to the Structure of the Code, we remark that the length and scope of the Code has increased significantly, with new standard setting activities, and that at over 450 pages (with Part 5 adding a further 300 plus pages) it has become less practicable to implement.

Commented [AP5]: No - seem to be no views on this

Commented [M(6R5]: To include Sarah's comment on the length of the Code - an ethics code which is over 800 pages in volume is not particularly practicable

Commented [A(7R5]: I don't think we have said this before but we could add something like this?

Commented [AP8]: Late addition; Please review

Commented [A(9R8]: I agree, also it has become more fragmented and overlaps have been created, which make the use more challenging.

We recommend that the Board considers some form of simplification project to make the Code more accessible and practicable for professional accountants. This might be of particular help to SMPs and individuals who do not have large resources to understand, implement and manage compliance.

Part D – Clarity of Responsibility (For individual PAPPs, Accounting Firms, Regulators or Oversight Bodies, or PAOs)

The independence sections in the Restructured Code are included in the *International Independence Standards (IIS)* to emphasize its international application and enforceability.

The IIS comprise Part 4A – *Independence for Audit and Review Engagements* (i.e., Sections 400 to 899) and Part 4B – *Independence for Assurance Engagements Other than Audit and Review Engagements* (i.e., Sections 900 to 999).

In the IIS in Parts 4A and 4B, specific provisions relating to audits of entities that are not public interest entities (PIEs) and those relating to audits of PIEs are presented under separate headings titled:

- "All Audit Clients" to introduce provisions that apply in all circumstances and for all audits;
- "Audit Clients that are not Public Interest Entities" to introduce provisions that apply to audits of clients that are not PIEs; and
- "Audit Clients that are Public Interest Entities" to introduce provisions that apply to audits of PIEs only.

28. Is an individual PAPP's responsibility in relation to independence clear?
    - Yes
29. Is a firm's responsibility in relation to independence clear?
    - Yes
30. Is a network firm's responsibility in relation to independence clear, and is that responsibility clearly distinguished from a firm's responsibility?
    - Yes

End of Survey