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Sent via IESBA website

June 30, 2026

International Ethics Standards Board for Accountants
570 Lexington Avenue
New York, NY 10022

Re: IESBA Post-Implementation Review (PIR) Survey - Structure of the IESBA Code

Dear Members of the International Ethics Standards Board for Accountants:

The American Institute of Certified Public Accountants (AICPA) Professional Ethics Executive Committee (PEEC) is pleased to respond to the above-referenced Post-Implementation Review (PIR) survey of the International Code of Ethics for Professional Accountants (the IESBA code).

PEEC is a senior committee of the AICPA charged with interpreting and enforcing the AICPA Code of Professional Conduct (AICPA code), promulgating new interpretations and definitions, and monitoring the AICPA code and making revisions as needed.

PEEC has practical experience with a significant codification and restructuring effort. In 2008, PEEC began a project to codify and restructure the AICPA code. The restructured AICPA code was adopted in January 2014 and published in November 2014. A primary objective was to make requirements and related interpretive guidance easier to locate and apply in practice, enabling ethical decisions to be reached efficiently in a fast-paced environment. The project emphasized topical organization, clearer drafting, and an improved online user experience (including search functionality, bookmarking/notes, and defined-term pop-ups). A key substantive enhancement was incorporation of a conceptual framework approach, including identifying threats and safeguards.

We appreciate your consideration of these comments and welcome the opportunity to discuss these issues further. If you have any questions, please contact Toni Lee-Andrews, Senior Director – AICPA Ethics and Peer Review at Toni.LeeAndrews@aicpa-cima.com or Ellen Goria, Technical Director – Professional Ethics at Ellen.Goria@aicpa-cima.com.

Sincerely,

Anna P. Dourdourekas
Chair, Professional Ethics Executive Committee

Toni Lee-Andrews
Senior Director, AICPA Ethics and Peer Review

cc: Ellen T. Goria, CPA, Technical Director – Professional Ethics

IESBA Post-Implementation Review (PIR) Survey
Structure of the IESBA Code

Part A – Demographic Information (All Respondents)

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

   PEEC is responding on behalf of the AICPA.

   (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?

   - **Single jurisdiction — United States**

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

    - **Jurisdictional standard setters (JSS)**

      The users of the AICPA Code of Professional Conduct include professional accountants in public practice (PAPPs) and professional accountants in business (PAIBs).

    - **Professional accountancy organizations (PAOs)**

      PAPPs and PAIBs

11. Please provide the following information and other contact information:

    - **Your organization's name: AICPA**
    - **Anna Dourdourekas, PEEC Chair**
    - **Toni Lee-Andrews, Senior Director – AICPA Ethics and Peer Review**
    - **Ellen Goria, Technical Director – Professional Ethics**
    - **Toni.LeeAndrews@aicpa-cima.com or Ellen.Goria@aicpa-cima.com**

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 choose the most representative answer*)

    (d) There are provisions in relevant law or regulation or a different ethical framework that are at least as stringent as the Code's provisions *(Please (i) specify the edition of the IESBA Code against which the relevant law, regulation or local ethical framework is benchmarked, e.g., 2018, 2024, etc., and (ii) describe the significant differences related to structure and drafting between the local Code or provisions and the IESBA Code)*

    PEEC has a strategic objective to harmonize, as appropriate, with IESBA's standards to promote consistency in global ethics and independence standards. To achieve this objective, PEEC follows a rigorous process to consider IESBA projects and evaluate whether related changes would enhance the AICPA code and better protect the public interest in the United States. As such, PEEC evaluates on a project-by-project basis not by a specific year. Following are links to information about our harmonization efforts:

    - **Agenda item 3 of the May 2026 PEEC meeting for discussion on IESSA**
    - **Engagement team group audit exposure draft and agenda item 4 of the May 2025 PEEC agenda**
    - **Tax services 2025 exposure draft**

- **Employee or executive recruiting official release and exposure draft**
- **Public interest entities official release and basis for conclusions**[1]
- **Fees official release and exposure draft**
- **Staff augmentation official release, 2020 exposure draft and 2018 exposure draft**
- **Role & mindset in the Conceptual Framework Toolkits**
- **Inducements practice aid**

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: Questions and Answers, Ethics Staff Insights, Basis for Conclusions, Plain English Guide to Independence, and case studies are located in the AICPA's Online Ethics Library.**
    - **Other resources including Conceptual Framework Toolkits are available on the AICPA's website at AICPA ethics tools and aids | Resources | AICPA & CIMA.**
    - **Education and training programs: AICPA & CIMA Learning Products | Ethics | AICPA & CIMA**
    - **Articles, publications or newsletters: Ethically Speaking (podcast series), PEEC Project Activity | Resources | AICPA & CIMA**

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*) **N/A**

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)**

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)* **N/A**

[1] At the May 2026 PEEC meeting, revisions to this definition were approved for exposure due to changes made by the U.S. Banking regulator to the thresholds used in the definition. The exposure draft will be issued in June 2026 for a 90-day period.

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)*

    The AICPA has not received questions regarding the structure or drafting of the code in the last five years.

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)* **N/A**

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. However, the eCode — which is the more user-friendly version of the code — is not current as of today and is therefore not very helpful in navigating the code. Even if the eCode is timely updated to the current version, it would be useful to add clickable cross-references and strong**

digital search or linking — especially for defined terms and related nonauthoritative material — to the PDF version. In addition, it should be easier to identify where there is other relevant nonauthoritative guidance such as Q&As. In the AICPA Online Ethics Library, we include a gray box with links to applicable nonauthoritative guidance following the relevant code section.

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. Please note that the AICPA code is only applicable to individuals not firms.**

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?

- **Somewhat. We respectfully observe that there is broad concern that the IESBA code is becoming increasingly lengthy, granular, and prescriptive, thereby risking movement away from the principles-based framework that has long been one of its principal strengths. As the code expands in volume and detail, it may become more difficult for professional accountants to navigate and apply it consistently and effectively in practice. This concern is particularly significant for SMPs, which may face disproportionate implementation challenges as complexity increases. In our view, the cumulative effects of complexity, cost, and over-regulation should properly be considered public-interest matters, as this may adversely affect adoption, global consistency, and the practical usability of the code without a commensurate improvement in outcomes (i.e., increase fragmentation).**

  The effectiveness of international ethics standards depends not only on their technical rigor, but also on their scalability, stability, and interoperability. A period of relative stability would permit recent amendments to be properly understood, implemented, and evaluated before significant additional revisions are undertaken. In that context, we encourage IESBA to place greater emphasis on rigorous assessment of the expected benefits of new requirements relative to their implementation costs, particularly where proposals may create overlap or duplication with the work of other international standard-setting boards. The line between ethical and performance standards, including audit and assurance standards issued by the IAASB, should be distinct. If IESBA has identified deficiencies in performance standards, the board should also identify a way to engage the appropriate parties, including the IAASB, to address those standards, instead of adding performance requirements to the code. Comingling performance standards in the ethical standards will lead to confusion and a lack of interoperability between these standards. For these reasons, we believe a cautious approach to further significant amendments to the code over the next five years would be appropriate.

  Finally, we note that the existing code already provides a robust and adaptable ethical framework for addressing matters such as fraud and the involvement of non-professional accountants. The fundamental principles, the conceptual framework, the NOCLAR provisions, and the requirements relating to supervision, competence, and confidentiality together establish enforceable ethical expectations that can be applied across a broad range of evolving circumstances. In our view, these mechanisms are sufficient to address emerging issues in a manner that is scalable, globally applicable, and durable. Accordingly, we suggest that IESBA's efforts may be most effective if directed toward supporting consistent understanding and application of the existing principles in practice, rather than toward introducing additional prescriptive requirements in these areas.

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 we do not enforce the provisions of the Restructured Code. Rather, we enforce the AICPA Code of Professional Conduct.**

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?

    - **Yes**

26. Is the language used in the Code easy to translate? **N/A**

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? **None.**

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

Thank you for your valuable input. Your input will inform the IESBA's Post-Implementation Review and help the IESBA develop global ethics and independence standards that are user-friendly, understandable, capable of consistent application, and readily enforceable.