

IESBA and IAASB Joint Stakeholder Survey – B.1 Changes in the Geopolitical and Regulatory Landscape – Regulatory Changes

06.01. 0 – I do not agree that this is a trend to be considered

07. Accounting Firms

Grant Thornton International Ltd (GTI)

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

We agree with the description of regulatory changes above. However, we suggest that professional accountancy organizations should focus on adoption of standards within their jurisdiction and developing guidance or localizing standards to make them fit for purpose in a particular jurisdiction.

We do not view this as a new trend that should impact the SSBs' mission to develop and maintain principles-based standards that are globally operable and can be consistently applied, as described in Q4.

06.02. 2 – Decreasing in importance

09. Public Sector Organizations

Sanford Rich (NYC Board of Education Retirement System)

2 – Decreasing in importance

Too difficult to predict and therefore responses will lag.

10. Member Bodies or Other Professional Accountancy Organizations

Institute of Singapore Chartered Accountants (ISCA)

2 – Decreasing in importance

We do not consider "regulatory changes" as a standalone trend requiring prioritisation by the SSBs for the strategy period 2028–2031. Regulatory developments remain relevant; however, within the Singapore context, we are of the view that sustainability related regulatory changes (see response to C.1) would dominate the horizon more strongly than broader geopolitical and regulatory shifts.

06.03. 3 – Slightly decreasing in importance

12. Others

Eri Murakami (Wood Design Studio Inc.)

IESBA How can companies that fail to comply with guidelines be brought into line? How many countries make up the market?

3 – Slightly decreasing in importance

06.04. 4 – Slightly increasing in importance

02. Users of Financial or Non-Financial Information

CFA Institute

4 – Slightly increasing in importance

Regulatory change is a constant. Do not have compelling reason why regulatory change is increasing or decreasing in importance for the SSBs starting in 2028 from the current baseline or prior strategy period. (If "no change in importance" was an option, would have selected that).

Jose Esposito (Credicorp Ltd.)

4 – Slightly increasing in importance

04. Those Charged With Governance

Kaori Ito (Yourmysyar Inc.)

4 – Slightly increasing in importance

Regulatory changes will continue to shape the environment in which the SSBs operate, requiring ongoing monitoring and coordination. However, such changes largely represent external conditions rather than drivers of the SSBs' core strategic value, which lies in supporting sound judgment and consistency across differing regulatory contexts.

05. Regulators and Oversight Authorities

Hellenic Accounting and Auditing Standards Oversight Board (HAASOB)

– Slightly increasing in importance

? See below B3

Independent Regulatory Board for Auditors (IRBA)

4 – Slightly increasing in importance

Martina Morrissey (IAASA)

4 – Slightly increasing in importance

06. Jurisdictional and National Standards Setters (JSS)

Auditing and Assurance Standards Board of Canada (AASBC)

- While there are certain initiatives aimed at reducing regulatory burden - for example, see our response to C2 and the Canadian Securities Administrators (CSAs) recent Prospectus and disclosure blanket order aimed at increasing flexibility and reducing regulatory burdens for both existing reporting issuers and companies pursuing an initial public offering in Canada - in general, regulatory requirements continue to increase in importance.

- Examples of ongoing regulatory expansion:

- o Regulatory requirements continue to expand in emerging areas such as artificial intelligence, privacy, digital markets, and supply chain security.

- o The Canadian Public Accountability Board (CPAB), Canada's public company audit regulator, recently implemented rule and legislative amendments to increase transparency [<https://cpab-ccrc.ca/who-we-are/media/2025/03/24/2025-release-disclosures-phase-2-en>], including the mandatory reporting of file-

specific inspection results to audit committees and permitting CPAB to publish individual firm inspection reports

4 – Slightly increasing in importance

Brazil Institute of Independent Auditors (IBRACON)

4 – Slightly increasing in importance

No.

Compagnie Nationale des Commissaires aux Comptes (CNCC) - Conseil National de l'Ordre des Experts Comptables (CNOEC)

Faced with the rapid changes in the geopolitical and regulatory landscape, there is a risk of fragmentation and a risk of a lesser adoption of the international standards and of the international code of ethics. The solution is therefore not to create new standards or amend the Code (the standards and the Code must remain principle-based), but to test the robustness and resilience in a rapidly evolving environment.

4 – Slightly increasing in importance

Wirtschaftsprüferkammer (WPK)

4 – Slightly increasing in importance

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.

07. Accounting Firms

Alan Am

4 – Slightly increasing in importance

Forvis Mazars Global Limited (Mazars)

4 – Slightly increasing in importance

Geopolitical and regulatory changes are not new, and the profession has been dealing with such challenges for decades, although there are periods where such changes are more rapid as they are at the present time. However, it is not clear that the current rate of change will be maintained throughout the upcoming strategic planning period.

Given the uncertainty and pace of change, allied with significant jurisdictional variation in requirements, we do not believe that standard setting is the most appropriate response to geopolitical and regulatory changes. The SSBs should focus on development of non-authoritative material to support adoption and implementation of existing principles-based standards. Our score reflects a balance of the importance of the issue in this context, reflecting a need for guidance rather than standard setting.

The SSBs should also consider how they can monitor the regulatory environment to identify any significant longer-term trends, rather than responding to events and other shorter-term developments. We believe the

outcome of such monitoring should be used to focus efforts on the development of non-authoritative material.

Piotr Witek (Moore Polska)

4 – Slightly increasing in importance

RSM International Limited

4 – Slightly increasing in importance

Changes in the geopolitical and regulatory environment are currently visible and, at times, volatile; however, regulatory change has always been a feature of the professional landscape. We believe that standard-setting boards should recognise regulatory fluctuation as an ongoing condition and ensure that standards are sufficiently robust to withstand such volatility.

We caution against attempts to rapidly respond to political leadership changes or short-term regulatory developments in individual jurisdictions. Given the inherently long timelines of standard-setting processes, such an approach may be impractical and potentially counterproductive.

Principles-based standards

While regulatory developments should be monitored and considered, we believe the focus of the SSBs should be on developing stable, high-quality standards that are capable of enduring across regulatory cycles.

We strongly support maintaining a principles-based approach to standard-setting. Professional standards should be robust, capable of consistent application across jurisdictions with differing regulatory environments with minimal, if any, need for local modification. While awareness of jurisdiction-specific regulations is important, standards should not be driven by regulations or requirements in individual jurisdictions. Rather, standards should reflect broader, globally relevant developments without allowing them to dictate the direction or pace of standard-setting.

When existing standards already can be applied to regulations in individual jurisdictions, we believe it is appropriate for individual jurisdictions to issue guidance on the application of the standards to their jurisdictions, when needed. We also encourage the SSBs to issue non-authoritative materials to support the application when regulatory developments may be globally pervasive (for example, the European Union's Corporate Sustainability Reporting Directive) and to assist individual jurisdictions in developing their own guidance on how to apply the SSBs' standards to their regulations.

There is often a significant lag between regulatory or political developments and the ability to update standards given the due process required. As such, we believe that standards should prioritise clarity, consistency and durability, rather than attempting to respond to specific regulatory developments in real time.

When additional support is needed for specific regulations, we encourage non-authoritative materials, which may be issued more quickly and may provide more timely, practical guidance than standards. In this regard, we support the development of 'quick guidance' rather than 'quick standards'.

Risk of fragmentation

In our view, regulatory fragmentation, rather than regulatory change itself, poses the greater risk to the SSBs. Refer to our response to Question 5B.2 for further detail.

10. Member Bodies or Other Professional Accountancy Organizations

Association of Chartered Certified Accountants (ACCA)

4 – Slightly increasing in importance

Regulatory changes are an ongoing feature of the environment and are expected to increase modestly in importance over the next strategy period.

While such developments are outside the direct remit of the SSBs, they continue to influence audit, assurance, and ethics practices, and therefore the application of international standards.

From an IAASB perspective, regulatory changes may require continued attention to alignment and interoperability, particularly in supporting consistent application across jurisdictions.

From an IESBA perspective, evolving regulatory frameworks may influence expectations relating to ethics and independence, especially where local requirements interact with the global Code.

The appropriate response may not necessarily involve new standard-setting, but rather ongoing monitoring, coordination with regulators and other standard setters, and the provision of guidance or support to facilitate consistent implementation.

Chartered Accountants Australia and New Zealand (CAANZ)

The regulatory environment continues to become more complex. Both Australia and New Zealand have introduced mandatory climate-related reporting and assurance regimes.

While regulation is set at a local level, the standards set by the SSBs contribute to the complexity of the environment in which both assurance and non-assurance PAPs operate. The complexity and regulatory burden may negatively impact adoption and application of the standards and the attractiveness of the profession.

4 – Slightly increasing in importance

11. Academics

European Accounting Association (EAA) Auditing, Assurance and Ethics Standard Committee

4 – Slightly increasing in importance

06.05. 5 – Increasing in importance

02. Users of Financial or Non-Financial Information

First Nations Financial Management Board

5 – Increasing in importance

We recommend that the SSBs ensure that Indigenous rights are monitored as an area of impact as they monitor regulatory changes. The effects of changes to any regulatory environment must be monitored for unintended consequences. Reducing regulation for business with the aim of economic growth also represents a real risk to Indigenous rights, including but not limited to real risks to land and waters. Thus, in this context, it is essential that the SSBs monitor the impacts of regulatory changes on Indigenous rights and title.

Impax Asset Management

5 – Increasing in importance

Impax sees an important role for the SSBs in:

- Maintaining clear, stable global baselines amid shifting national regulatory priorities.
- Ensuring proportionality and scalability without compromising audit quality, ethical standards or public trust.
- Supporting regulators by providing internationally credible standards that reduce the need for duplicative or bespoke national requirements.

Investment Company Institute

5 – Increasing in importance

Interoperability across jurisdictions
Clear implementation support

Jane Wilson (Wilsojay Investments)

5 – Increasing in importance

There is a growing backlash against sustainability and ESG reporting and obsession. Consider finding another job

Kei Tsuchiya (The Securities Analysts Association of Japan)

I believe that a more balanced approach will be required going forward—one that ensures international comparability while also accommodating jurisdiction-specific characteristics.

In the area of accounting standards, approaches to the equity method differ significantly between Japan and China and other jurisdictions. Similarly, the materiality of sustainability-related risks and opportunities is assessed differently across jurisdictions. Against this background, I consider it desirable that international standards relating to accounting, sustainability disclosures, audit and assurance, and ethics and independence function as a global baseline, while also providing a framework within which jurisdiction-specific characteristics can be faithfully represented.

5 – Increasing in importance

Takeshi Kimura (Nippon Life Insurance Company (Board Member, PRI) (Steering Committee Member, TISFD))

5 – Increasing in importance

Regulatory recalibration across jurisdictions may significantly influence the adoption and implementation of international standards. From a long-term investor perspective, maintaining coherence between evolving regulatory requirements and international standards is essential to preserve comparability and predictability in capital markets.

03. Preparers or Issuers of Financial Statements or Other Information

Ajinomoto Co., Inc.

5 – Increasing in importance

As geopolitical instability increases, the regulatory environment is also changing rapidly, and companies are required to respond to multiple jurisdictions and frameworks.

It is important that SSB's standards continue to function as a global baseline, enabling companies to respond efficiently based on shared principles.

This is important both to manage disclosure burdens and to maintain the reliability of reported information.

Sevdalina Paskaleva

5 – Increasing in importance

05. Regulators and Oversight Authorities

Botswana Accountancy Oversight Authority (BAOA)

5 – Increasing in importance

No matters to highlight

Irish Auditing & Accounting Supervisory Authority (IAASA)

5 – Increasing in importance

It is essential that the SSBs maintain a clear focus on the public interest when considering requests for simplification of the standards. Easing requirements in the standards can risk widening the expectation gap and increasing reliance on an auditor's professional judgement, leading to difficulty in enforcing compliance and consistency of application.

National Association of State Boards of Accountancy (NASBA)

Deregulation efforts, often aimed at reducing occupational licensing barriers, have created pressure on state boards of accountancy in the U.S., threatening to weaken Certified Public Accountant (CPA) licensure standards, eliminate boards and reduce mobility (the framework allowing CPAs to practice across state lines without obtaining additional state-specific licenses or paying extra fees). These efforts have forced accounting professionals to actively defend their professional standards.

The U.S. is experiencing other deregulation efforts impacted by changes in the political environment. The U.S. Securities and Exchange Commission (SEC) is overhauling the Public Company Accounting Oversight Board (PCAOB) and looking to reduce reporting requirements/corporate compliance costs.

The challenge for standard-setters is to remain neutral to provide consistency and stability through swings in the political environment to protect the investors/public.

5 – Increasing in importance

Tokyo Stock Exchange

5 – Increasing in importance

With regard to “regulatory changes,” rather than becoming less important in the next strategic period, their importance is likely to increase as a more strategic and challenging issue against the backdrop of “geopolitics, institutional competition, and ensuring trust.” Therefore, the IAASB and IESBA will likely be required to adopt a sophisticated strategic approach that fulfills two key elements: developing universal rules that do not excessively follow regulatory changes, and establishing practical international standards that serve the interests of both regulators and the market.

UK Financial Reporting Council (UK FRC)

5 – Increasing in importance

There are pressures developing in some jurisdictions for deregulation to help economic growth. However, there are also concerns not to reduce “quality”. Ensuring the standards are clearly proportional and scalable

is particularly important (see our comments above after paragraph 4) and helps alleviate some concerns about over-regulation.

In seeking to expand adoption of their standards, the SSBs may encounter requests for compromises to address perceived practical issues in some, particularly smaller or less sophisticated investment market, jurisdictions. In determining how to respond to such requests the SSBs need to give careful consideration as to what is appropriate to best serve the public interest, and alleviate concerns about threats to audit and assurance quality in all jurisdictions. The inclusion of limited time transitional periods for implementing new or revised standards may help address these concerns.

06. Jurisdictional and National Standards Setters (JSS)

GLASS Group of Latin American Accounting Standard Setters (GLENIF)

- Harmonizing local and international regulatory changes is a complex process, which implies an increase in the inherent risk of auditing and assurance.
- The acceleration of regulatory changes requires standardization bodies to have a greater capacity for response and coordination.
- Keep the standards up to date.

5 – Increasing in importance

Hong Kong Institute of Certified Public Accountants (HKICPA)

5 – Increasing in importance

Ongoing regulatory developments continue to reshape the financial and sustainability reporting landscape, creating implementation challenges for preparers and practitioners across jurisdictions. These changes affect audit, assurance, and ethical considerations, particularly as new sustainability reporting and assurance regimes, regulatory expectations, and supervisory approaches are introduced.

The SSBs should remain responsive to regulatory developments to ensure that international standards remain relevant, scalable, and capable of consistent application. Given the pace and diversity of regulatory change across jurisdictions, practical implementation support—such as mapping materials, illustrative examples, or non-authoritative guidance—may be particularly helpful in assisting practitioners to understand how IAASB and IESBA requirements are applied alongside evolving local regulatory regimes, without undermining global consistency.

At the same time, continued emphasis on high-quality, principles-based standards and robust due process remains essential to support adoption and confidence across jurisdictions. The relative importance of this trend is expected to remain high during the next strategy period.

Instituto Mexicano de Contadores Públicos (IMCP)

Regulatory changes are observable in our jurisdiction as a response from different agencies to modify reforms in customs, labor, money laundry, elections of judges, etc., aiming to increase the quality of the business environment in alignment with other international countries and looking, at the same time, to maintain the rigor of the compliance of entities and practitioners with law, regulation and standards. Implementation and operability of standards become relevant.

5 – Increasing in importance

Japanese Institute of Certified Public Accountants (JICPA)

We believe it is important to recognize that regulatory change does not necessarily imply only a one-way move toward more regulation or greater regulatory stringency. The SSBs should closely monitor regulatory

developments in each jurisdiction and, in setting priorities for their standard-setting activities, adopt a balanced approach that considers not only the possible need for stronger regulation but also the potential need for simplification, rationalization, and the elimination of overlapping or duplicative requirements.

5 – Increasing in importance

Royal Netherlands Institute of Chartered Accountants (NBA)

5 – Increasing in importance

In the current environment, there is a clear move toward simplification and reduction of regulatory burden in several jurisdictions. In this context, it is particularly important that standard setters do not contribute further to complexity of standards. Standard setters should stand back and reflect on simplification.

The focus of standard setters should therefore change from expanding the body of standards to the effective transposition and implementation of existing standards. Increased standard setting elevates the risk of fragmentation in implementation. With respect to current IESBA projects we foresee implementation issues as these projects threaten to exceed our mandate for standard setting.

There should be more emphasis on principles-based regulations. This creates more robust regulations for the long term. This also relates to the EU principle of proportionality

07. Accounting Firms

BDO International Limited

5 – Increasing in importance

Geopolitical shifts may mean that entities will have to adapt to changing markets, new markets and changing supply chains. This includes issues such as:

- Targeted financial sanctions and embargoes which are likely to remain in place (and which bring new challenges to both audited entities and auditors.
- Increased risks of entities entering markets where business practices may conflict with home market regulations (e.g., anti bribery rules) and increased risks of misuse of entities for sanctions or embargo circumvention.
- Entities seeking new global markets, which results in alignment between professional standards becoming even more important to ensure transparency and clarity of reporting (and underpinning the smooth functioning of capital markets in the public interest).

We recommend the SSBs design their SWPs to ensure their body of standards are strictly principles based, and include the provision of more NAM, to support practical implementation.

Standard setting should not be reactive, as it will be outdated by the time it is released. We encourage both SSBs to work more closely with national standard setters (NSSs) to promote consistent global application. Refer back to our opening comments about the need to measure and respond to adoption and implementation challenges (see Section III, Q4 response) In a dynamic and volatile geopolitical situation, ethical behaviour is challenged so we recommend IESBA plan to provide more NAM focusing on practical implementation of existing standards/the Code (e.g., development of educational materials, FAQs) rather than having a focus on development of additional professional standards/rules.

Deloitte Touch Tohmatsu Limited

5 – Increasing in importance

IAASB – Effective international standards, developed under robust due-process principles, can provide a global baseline for consistent and comparable corporate reporting and audit/assurance reporting thereon. Such an approach sponsors greater standardization across jurisdictions and in doing so enhances audit quality and more broadly supports efficient and well functioning capital markets. We support efforts by the IAASB to continue to re-examine its governance and operational processes to make changes that enable it to be recognized universally as a producer of audit and assurance standards that are responsive, globally relevant and workable in practice such that the IAASB standards are considered a global baseline throughout the profession. We believe action steps in this regard need to be taken prior to 2028 (the period to which this survey relates).

IESBA – All of the mentioned changes to the geopolitical and regulatory landscape emphasize the value of having a stable global Code. We support a pause in standard setting and a focus on understanding barriers to global adoption. We note some of the recently issued standards are complex (e.g., sustainability, group audits) or conflict with local requirements (e.g., requiring public disclosure of fees). It would be useful for IESBA to perform accelerated post-implementation reviews, carefully consider whether recent changes were in the public interest, and allow sufficient time and resources to make targeted changes to the Code where necessary.

Jack Schoeman (PWC)

5 – Increasing in importance

The main impact here is that shifting political priorities are causing different regions to create their own unique rules, which can make global audits inconsistent. The SSBs' current standards must remain the primary global anchor to prevent this fragmentation from making audits more difficult and expensive. We do not need more legislation or new layers of regulation that vary from place to place. Instead, the boards should update existing standards to ensure they are flexible enough to work across different legal systems while staying high quality. This is the only way for the SSBs' framework to remain the global benchmark and bridge the expectation gap while keeping the profession relevant in a divided world.

José María Hinojal (BNFIX)

5 – Increasing in importance

MAH, Chartered Accountants

5 – Increasing in importance

Shreekant Prasad (Govindham Consultancy Services)

5 – Increasing in importance

09. Public Sector Organizations

Audit Board of Republic Indonesia

5 – Increasing in importance

This will depend on jurisdiction in each country

10. Member Bodies or Other Professional Accountancy Organizations

Chamber of Hungarian Auditors (MKVK)

5 – Increasing in importance

No additional comments.

Consejo General de Economistas de España

5 – Increasing in importance

IAASB :

In addition to continuing to follow up on the actions included in the IAASB 2024 work plan to the ISA for LCE (See commentary included in O.1.), to carry out the first revisions of the standard – in those jurisdictions where it had been adopted – which would begin on or after 15 December 2028: Support proportionate, effective and efficient governance and internal control models in SMEs that circumvent bureaucratic process designs, providing an approach that goes beyond compliance with legal requirements.

European Federation of Accountants and Auditors for SMEs (EFAA)

5 – Increasing in importance

EFAA considers regulatory change to be a trend of growing importance for the accounting and auditing profession. Financial markets and professional services firms are operating in an increasingly complex and evolving regulatory environment, shaped by the dual objectives of safeguarding market stability and preventing economic disruption, while also supporting competitiveness, innovation, and sustainable economic growth.

From EFAA's perspective, this evolving landscape has important implications for standard setting. Frequent changes in reporting, assurance, ethics, and sustainability-related requirements increase implementation complexity, particularly for SMEs and SMPs, which often face more limited resources and compliance capacities than larger entities and networks. At the same time, regulatory simplification initiatives and efforts to reduce administrative burdens may affect expectations regarding assurance, governance, and transparency.

EFAA therefore encourages the boards to closely monitor the impact of regulatory developments on the profession and to ensure that standards remain clear, proportionate, and capable of being implemented effectively across firms of different sizes. Particular attention should be given to supporting consistent application, avoiding unnecessary complexity, and preserving public trust while enabling innovation and economic resilience. Again, clear promotion and communication of the quality and value of these standards is key.

Institute of Public Accountants (IPA)

5 – Increasing in importance

IPA is of the view that the increase in changes in geopolitical and regulatory landscape undoubtedly influences the SSB's next strategy period. In Australia, there has been a huge amount of regulatory changes in a short period. This was seen with the mandatory climate disclosures requirements and timeframe imposed by the Australian government. The mandatory requirements have resulted in a large volume of consultation documents for stakeholders to comment. These were followed by a raft of guidance material, voluntary and mandatory, for further comment and implementation. All of which contributed to stakeholder fatigue. The volume and pace of regulatory changes also pose a significant risk of fragmentation, as some jurisdictions moved towards reduced regulatory burdens to enhance economic competitiveness by furthering innovation and economic growth, ahead of compliance with the higher bar intended by the regulatory changes. IPA is of the view that to mitigate the risk of fragmentation, the SSB needs to have greater agility in standard-setting and seeks greater diversity of voices from its stakeholders (refer to B.2 to B.4 for more detail).

Pan African Federation of Accountants (PAFA)

5 – Increasing in importance

From an African perspective, regulatory change will continue to increase in importance due to evolving financial reporting requirements, sustainability-related regulation, and ongoing efforts to balance market stability with economic growth and innovation.

The IAASB and IESBA should strengthen their ability to respond through agile, scalable, and proportionate approaches, including where appropriate the use of targeted standard-setting, implementation support, and non-authoritative guidance. Greater emphasis should also be placed on regulatory coordination and global consistency, to avoid divergent national responses that increase complexity and reduce comparability. At the same time, standards should remain sufficiently flexible to accommodate emerging markets without compromising ethical and audit quality principles.

Polish Chamber of Statutory Auditors (PIBR)

5 – Increasing in importance

South African Institute of Chartered Accountants (SAICA)

5 – Increasing in importance

The regulatory environment continues to evolve at a rapid pace and is becoming increasingly complex, underscoring the need for the Boards to engage regularly and constructively with a wide range of participants across the financial reporting ecosystem. Such engagement is important to understand emerging public interest concerns and to assess where standards and related guidance can appropriately support high quality audit and assurance outcomes.

However, it is equally important to recognise the limits of standard setting in this regard. Auditing and ethics standards should not be used as instruments to address regulatory objectives or compliance requirements, nor should they be drafted primarily to satisfy regulatory expectations. Their primary purpose must remain to support practitioners in exercising professional judgment and delivering high quality audits and assurance engagements. Maintaining this focus is essential to preserving the integrity, usability, and global applicability of the standards.

Geopolitical developments, regulatory divergence and economic instability (including conflict and supply chain disruptions) are increasing complexity for professional accountants.

For the SSBs, the impact includes:

- Increased regulatory fragmentation affecting global consistency,
- Greater implementation burden on PAOs and regulators, and
- The need for scalable and adaptable standards across jurisdictions.

The SSBs should prioritise proportionality and responsiveness while maintaining global consistency.

11. Academics

Kenichi Akiba (Waseda University)

5 – Increasing in importance

12. Others

Cristian Emmanuel Munarritz

5 – Increasing in importance

I think the SSBs should avoid changing standards frequently to address regulatory changes. Instead, it should address it through non-authoritative material.

Louise Willdridge (LBW Global)

5 – Increasing in importance

Wai Man (Emily) Ho

5 – Increasing in importance

Wenzel Reyes (MindBridge)

5 – Increasing in importance

06.06. 6 – Strongly increasing in importance

02. Users of Financial or Non-Financial Information

International Corporate Governance Network (ICGN)

6 – Strongly increasing in importance

Regulatory change is likely to remain highly significant. The key risk is fragmentation, as jurisdictions increasingly move at different speeds or adopt different approaches. The SSBs should focus on supporting broad international adoption of their existing standards and helping jurisdictions implement them consistently. This should be a core priority for 2028–2031. Institutional credibility will be central to this. In a more fragmented environment, trust in independent, well-governed and globally credible standard-setting institutions supports adoption and international legitimacy. The SSBs should therefore ensure that any governance reforms strengthen, rather than weaken, independence, due process, public interest responsiveness and effective oversight.

Koei Otaki (SMBC Nikko securities Inc)

In today's world, where the entire globe is in a state of war, the important issue is not climate change, but the negative impacts of war on society, the economy, and the environment.

6 – Strongly increasing in importance

Martin Lawrence (Ownership Matters Pty Ltd)

6 – Strongly increasing in importance

There will be enormous pressure - visible already - to reduce standards for audit to encourage 'growth'.

The European Federation of Investors and Financial Services Users (BETTER FINANCE)

6 – Strongly increasing in importance

While efforts to reduce burdens and improve competitiveness may bring benefits, simplification should not come at the expense of transparency, accountability or investor protection. The SSBs should continue monitoring evolving regulatory trends and ensure standards remain capable of responding to changing market expectations while preserving the reliability and usefulness of reported information.

03. Preparers or Issuers of Financial Statements or Other Information

Ascendia EOOD

6 – Strongly increasing in importance

Business Europe

6 – Strongly increasing in importance

Regulatory change increases the importance of keeping standards practical and proportionate, with a clear focus on reducing unnecessary burden for businesses and assurance providers alike as also indicated in the analysis. It is important to understand that "audit evidence requirements" trigger corresponding detailed documentation requirements on the audit clients. Therefore amendments and new requirements should be introduced under consideration of removal and/or amendments of prior requirements.

The boards should continue to pursue simplification and decluttering that helps shift practice away from tick-the-box compliance (where costs automatically trickle down) and towards a stronger understanding of the business, the risks and the proper exercise of judgement and professional scepticism.

Japan Business Federation – Keidanren

6 – Strongly increasing in importance

Discrepancies in regulatory requirements across jurisdictions are already placing a significant burden on global companies, assurance providers, and users of disclosed information. If this situation persists, it could undermine the viability of the sustainability disclosure and assurance framework itself.

As the body responsible for global standard-setting, the SSB should work closely with standard-setters and relevant authorities in each jurisdiction, particularly in the areas of assurance and ethics, to ensure consistency and coherence in underlying approaches, terminology, and concepts, thereby establishing globally consistent assurance standards and rules. In other words, as in financial audits, a system is needed under which a single assurance engagement can, in substance, address requirements across multiple jurisdictions.

Responding to geopolitical developments and the diverse demands of individual jurisdictions is by no means easy. However, if the burden of addressing such challenges is left to individual companies, it could undermine the viability of the sustainability disclosure and assurance framework itself.

We strongly expect the SSB to demonstrate strong leadership in reconciling diverse views and achieving a consistent and integrated framework across jurisdictions.

06. Jurisdictional and National Standards Setters (JSS)

New Zealand Auditing and Assurance Standards Board (NZAuASB)

The volume, speed and intensity of the changing geopolitical and regulatory landscape is accelerating and expected to continue throughout the 2028-2031 period. Current systems, built in times of growth and stability, are increasingly under strain, increasing the risk of fragmentation and inconsistent application of standards across jurisdictions. The Edelman Trust Barometer reveals decreasing trust and the recent report emphasizes the need for leaders to understand economic realities, champion shared interests and create opportunities for optimism. During the period 2028-2031 we expect to see more volatility, increasing need for guardrails and the need for difficult trade-off decisions. The introduction of additional reporting areas subject to regulation, that vary around the world, will increase complexity. The SSBs have a vital role to play to influence the audit regulation environment in connecting jurisdictions to support consistent application of international standards across jurisdictions in a mutually beneficial ecosystem.

Investment decisions rely on quality information and rational decision making. The role for assurance and ethics to support trust and confidence in this information will be increasingly important.

We encourage the SSBs to maintain a strong impact focus, clearly articulating the problems they are seeking to address and assessing the costs and benefits of proposed solutions from the perspective of users. We support the approach of maintaining principles-based standards in light of this context and a focus on continuously enhancing standard setting processes and culture. The importance of effective horizon scanning, supported by processes and a culture that enable an agile response will be key to success.

6 – Strongly increasing in importance

Saudi Organization for Chartered and Professional Accountants (SOCPA)

6 – Strongly increasing in importance

07. Accounting Firms

AFCA Desarrollos Profesionales

6 – Strongly increasing in importance

Los cambios geopoliticos afectan de manera directa a todos los paises y regiones del mundo por lo que realizar un analisis de riesgos geopoliticos es relevante.

Baker Tilly International

6 – Strongly increasing in importance

Gats-Ratings Professionals

6 – Strongly increasing in importance

More involvement of policy makers necessary.

Krzysztof Burnos

Need for the simplification. So far the Standards setters failed the simplification and disappointed the majority of SMPs/SMEs.

6 – Strongly increasing in importance

Kudos International

6 – Strongly increasing in importance

PricewaterhouseCoopers International Limited (PWC)

Our approach to assessing importance

The current geopolitical landscape has the potential to significantly impact both jurisdictional and international standard setting, driving pressures toward both convergence and divergence. Accordingly, we assess this trend as increasingly important to the SSBs through 2027. Looking ahead to 2028–2031, the prospect of continued geopolitical volatility—including changes in government priorities across jurisdictions—may further affect areas such as sustainability reporting and assurance, international convergence and market regulation. While this trend is already highly significant, there is potential for its importance to increase further and influence the SSBs' prioritisation decisions.

Overarching comments

The forthcoming strategy period may present a unique opportunity to advance convergence between international and jurisdictional audit, assurance and ethics standards. Recent public commentary suggests there may be renewed appetite in some jurisdictions to align standards and reduce unwarranted divergence, for example, for audits of publicly traded companies in the US. We encourage the SSBs to engage in constructive dialogue with relevant jurisdictional stakeholders to explore these opportunities.

At the same time, political developments across jurisdictions are driving changes in sustainability reporting regulation, with implications for the demand for assurance. The SSBs should monitor how these developments affect market expectations, including assumptions about the need for further standard setting, while continuing to support the adoption and implementation of recently issued standards. This includes addressing how jurisdictional tailoring interacts with the intended application of ISSA 5000 and the IESSA. We comment further on these matters in our response to trends C.1 and C.2. More broadly, greater transparency around how jurisdictional regulatory developments are monitored and assessed, to determine whether and when action is warranted at an international level, could help stakeholders better understand proposed actions by the Boards, thereby supporting confidence in, and adoption of, global standards.

Matters specific to the IESBA

Building on the above, we encourage the IESBA to adopt a more proactive and structured approach to engaging with jurisdictional regulators on how emerging regulatory developments may intersect with the Code, with a view to positioning the Code to complement rather than conflict with jurisdictional requirements. The IESBA's work on profession-agnostic independence standards for sustainability assurance could also serve as a fragmentation-mitigation measure, providing a consistent ethical baseline that jurisdictions can adopt and build upon. As an overarching principle, seeking to build consensus for changes to the Code across jurisdictional standard setters prior to commencing detailed standard setting projects should also be a priority.

6 – Strongly increasing in importance

08. Sustainability Assurance Providers other Than Accounting Firms

Anum Atique (Islamic Non Banking Financial Institution)

6 – Strongly increasing in importance

N/A

Keung Ho Keung Ricky

6 – Strongly increasing in importance

10. Member Bodies or Other Professional Accountancy Organizations

Asociación Interamericana de Contabilidad (AIC)

6 – Strongly increasing in importance

El nuevo ordenamiento mundial indudablemente debe ser considerado, y los efectos permanentes y posteriores predecibles.

Belgian Institute of Tax Advisors and Accountants (ITAA)

6 – Strongly increasing in importance

A lot of regions in Europe are trying to dial back the regulation, and try to simplify the regulation. This is an important competitive advantage but a threat for the quality of the profession.

Chartered Accountants Ireland (CAI)

6 – Strongly increasing in importance

Ongoing regulatory change and the broader focus on reducing regulatory burden are highly relevant to the work of both IESBA and IAASB. In this context, one strategic challenge for the SSBs is not an absence of standards, but ensuring that existing standards remain coherent, proportionate, usable and robust when applied alongside extensive jurisdiction-specific regulation.

Expansion of detailed requirements at international level risks contributing to complexity without necessarily enhancing outcomes in the public interest. Ethical and auditing standards increasingly operate within dense national and regional regulatory frameworks, and further prescription may compound compliance burdens rather than improve quality or trust. For each revision of a standard (which should only be necessary if a clear gap has been identified), opportunities should be taken to reduce unnecessary complexity or ambiguity and increase interoperability with other global standards, while maintaining consistency alignment with core principles and robustness.

There is a well-established and clear distinction between the role of international standard setters and that of regulators. While regulators appropriately establish detailed and enforceable requirements, international standards are most effective when they articulate clear, high-quality principles and expectations, supported where necessary by guidance to assist application across diverse regulatory environments.

Malaysian Institute of Accountants (MIA Malaysia)

Our approach to assessing importance

The current geopolitical landscape has the potential to materially shape both jurisdictional and international standard-setting, generating pressures towards both convergence and divergence. We believe this trend will remain profoundly important for the SSBs through 2027. As we look towards the 2028–2031 period, the ongoing shifts in geopolitical stability—including evolving government priorities across different nations—could further influence domains such as sustainability reporting and assurance, global convergence efforts, and market regulation. While this trend already carries substantial weight today, its influence may well intensify, increasingly guiding the Boards' prioritisation decisions.

Overarching comments

The forthcoming strategy period may, in fact, present a unique window of opportunity to advance convergence between international and jurisdictional audit, assurance and ethics standards. Recent public commentary suggests renewed appetite in some jurisdictions to align standards and reduce unwarranted divergence — for example, in relation to audits of publicly traded companies in the US. We encourage the SSBs to engage constructively with relevant jurisdictional stakeholders to explore and capitalise on these opportunities.

Simultaneously, political developments across various countries are instigating changes in sustainability reporting regulations, which, in turn, have knock-on effects on the demand for assurance. The SSBs should monitor how these developments shape market expectations — including assumptions about the need for further standard-setting — while continuing to support the adoption and implementation of recently issued standards. This includes addressing how jurisdictional tailoring interacts with the intended application of ISSA 5000 and the IESSA.

We elaborate further on these specific matters within our responses to trends C.1 and C.2.

More broadly, greater transparency around how the Boards monitor and assess jurisdictional regulatory developments — and determine whether and when international action is warranted — would help stakeholders better understand the Boards' proposed actions, and in turn support confidence in and adoption of global standards.

Enhanced coordination and dialogue between the SSBs, regulators and jurisdictional standard setters will be increasingly important in mitigating regulatory fragmentation and promoting greater consistency in adoption, implementation and enforcement outcomes across jurisdictions.

Matters specific to the IESBA

Building on the foregoing points, we encourage the IESBA to adopt a more forward-looking and systematic method for engaging with jurisdictional regulators. This engagement should focus on understanding how emerging regulatory landscapes intersect with the Code, with the overarching goal of positioning the Code as a complement to, rather than a source of conflict with, jurisdictional requirements. Furthermore, the IESBA's ongoing efforts to develop profession-agnostic independence standards for sustainability assurance not within the scope of Part 5 could play a crucial role in mitigating fragmentation. By establishing a consistent ethical foundation, these standards would provide a robust framework upon which jurisdictions can build. As a fundamental guiding principle, it should remain a priority to secure consensus among jurisdictional standard setters regarding proposed changes to the Code before embarking on detailed standard-setting work.

6 – Strongly increasing in importance

Malta Institute of Accountants (MIA Malta)

SSBs should track these trends and adapt to market expectations, while supporting recent standards' adoption and implementation.

6 – Strongly increasing in importance

Pavel Dimitrov (Union of Accountants in Bulgaria)

6 – Strongly increasing in importance

Regulatory changes driven by geopolitical developments have a direct and immediate impact on financial reporting, assurance, ethics, and cross-border consistency. High-quality global standards must remain aligned with evolving regulatory expectations to preserve trust, comparability, and stability across jurisdictions. A rating of 6 reflects the critical importance of monitoring regulatory shifts, supporting harmonization, and ensuring that standards remain relevant and responsive in a rapidly changing global environment.

11. Academics

Kiran Seth (Sunway University)

6 – Strongly increasing in importance

Nicole Ratzinger-Sakel (University of Hamburg Business School)

6 – Strongly increasing in importance

12. Others

AIDS Committee of Toronto

6 – Strongly increasing in importance

As regulations change, as a profession we must adapt.

Kazuhiro Yoshii (Securities Firm)

6 – Strongly increasing in importance

Corporate governance reforms have progressed rapidly in Japan over the past decade. This is also a global trend. It is crucial to engage not only with investors and management but also with those charged with governance within companies who represent the interests of investors.

Mahmoud Bilal (Unimar)

6 – Strongly increasing in importance

06.07. Letters providing separate ratings for IAASB or IESBA

06. Jurisdictional and National Standards Setters (JSS)

Accounting Professional & Ethical Standards Board (APESB)

Matters for IESBA:

APESB is of the view that the IESBA should continue to monitor global regulatory developments closely and continue to strengthen coordination with other international standard-setters, regulators and other relevant international bodies to ensure that the Code remains responsive to both increased regulatory expectations and pressures for regulatory simplification.

5 – Increasing in importance

American Institute of Certified Public Accountants - Professional Ethics Executive Committee and Auditing Standards Board (AICPA PEEC & AICPA ASB)

5 – Increasing in importance

IESBA and IAASB rating: 5

The regulatory landscape related to reporting and assurance environments is rapidly evolving within and across jurisdictions. New types of assurance engagements are emerging in response to changing regulatory requirements. This provides a unique opportunity for the SSBs to partner with their respective JSS liaison groups to address how standards and regulations can be more complimentary without crossing over into each other's remits.

For IESBA, more direct engagement with jurisdictional regulators is critical to avoid unintended conflicts between the code and local requirements and to support broader and more effective global adoption. At the same time, such engagement should not be understood as an effort to resolve regulatory fragmentation, which falls outside the SSBs' remit. Rather, the SSBs should maintain a globally applicable ethical framework that can operate effectively across diverse regulatory environments. Accordingly, the strategic focus should remain on reinforcing confidence in the code's resilience and global applicability, including by pursuing opportunities to simplify the code and standards where appropriate without diminishing their effectiveness, and by avoiding reactive responses to regulatory or political cycles that risk introducing unnecessary complexity and burden.

Australian Auditing and Assurance Standards Board (AUASB)

5 – Increasing in importance

Institut der Wirtschaftsprüfer (IDW)

3 – Slightly decreasing in importance

We believe that standards should change based on evidenced public-interest needs, not fluctuate with political cycles.

For IESBA, the ethical baseline should remain steady rather than expand or contract in response. However, deregulation does not, by itself, create a gap that calls for additional ethics requirements; instead it highlights the value of a durable, principles based Code that can be applied consistently across different regulatory settings. The fundamental principles and the conceptual framework already provide that stable foundation, relying on professional judgment regardless of the direction or intensity of external regulation. Notably, the Code's provisions on pressure to breach the fundamental principles are designed to help professional accountants resist political, organizational, and commercial pressures that can arise during periods of regulatory change. For these reasons, the IESBA's emphasis should remain on reinforcing confidence in the Code's robustness and global operability, rather than reacting to regulatory or geopolitical swings.

In relation to the IAASB, deregulation should also be guided by careful cost–benefit considerations rather than by current political trends. There are increasing indications that the growing complexity of existing requirements may no longer be justified by the benefits they provide, suggesting a need to reassess whether the associated costs outweigh their value. This should affect future standard setting, as we set out in our response to Question 4.

Nordic Federation of Public Accountants (NRF)

4 – Slightly increasing in importance

We view regulatory actions that affect the work of the standard setting boards more as overarching themes than as distinct areas of regulation. In particular, the continued focus on simplification and deregulation is highly relevant for both boards and should remain an important consideration in their future work. Ensuring that standards and the Code remain usable, scalable, and principles based will be essential in this environment.

At least in the EU, we also observe a clear trend in which legislators increasingly request or encourage external assurance over companies' information. At the same time, they are explicit that such services should not be exclusive to the profession. This creates a competitive environment in which the profession's continued relevance cannot be assumed. High quality services remain fundamental, but the question of what constitutes quality — and how it is demonstrated — is an area where the SSBs play a critical role. In this context, it will be important for the boards to continue considering how their standards can support both quality and relevance in a market where assurance services may be provided by a broader set of actors.

07. Accounting Firms

Ernst & Young Global Limited (EY)

6 – Strongly increasing in importance

In an increasingly volatile geopolitical environment, standards must remain relevant, resilient, and capable of broad adoption across diverse jurisdictions. Principle based standards are better suited to this context, as they allow for adaptability to differing legal, economic, and regulatory conditions, while overly prescriptive requirements risk becoming impractical or unimplementable in practice. Excessive prescription can also hinder timely adoption and consistent application across jurisdictions.

Consistent with our prior responses, for the purposes of agility, we believe that the Boards need to focus on the development and issuance and timely NAM, as well as on an assessment of the suitability of its existing standards in addressing emerging matters.

IAASB matters

In context of the demands for assurance engagements, for which the regulatory landscape is an important driver, we believe there is a strong need for modernization of ISAE 3000 and ISAE 3402, consistent with our overarching comments. We do not believe the IAASB should prioritize the development of separate

assurance standards for any particular subject matter, particularly because the range of subject matters for which the regulatory requirements for assurance vary across the world. Rather, we believe the appropriate approach, which is also more expedient, is to coordinate with relevant jurisdictions on the development of NAM for the application of the existing standards to particular subject matters.

KPMG International Limited

5 – Increasing in importance

IAASB – 5 Increasing in importance, IESBA – 5 Increasing in importance

We consider "Regulatory Changes" to be a trend that is expected to be of increasing importance to the SSBs over the survey period as there is an increasingly complex and dynamic regulatory landscape, with various factors driving greater regulation in certain markets and deregulation activities in others. In certain cases, increasing regulation is driving a need for assurance over a variety of subject matter areas (such as AI governance, controls etc.). In this environment, strong global coordination, advocacy, and clarity around the role and value of international standards is critical.

IAASB

Focused Outreach and Advocacy for IAASB Standards

To address the implications of such regulatory changes, we recommend that the IAASB focus on the following actions/considerations over the survey period:

- Engage in outreach with relevant bodies (including both global and regional/jurisdictional regulators, and standard-setters, including jurisdictional standard-setters) that are responsible for establishing laws and regulations in respect of financial and non-financial reporting and related requirements for audit/assurance across jurisdictions. Such engagement should involve better understanding of the views, concerns and plans of these bodies, to advocate for the adoption of IAASB standards, in particular, assurance standards, and to avoid regulatory fragmentation across jurisdictions (refer to B2 for further discussion).

Such advocacy should include education about the benefits of using IAASB standards, emphasizing the following attributes, as the standards are:

- underpinned by the IESBA Code;
 - premised on requirements for an engagement performed in accordance with such standards to be performed by a practitioner that is a member of a firm that is subject to ISQM 1 (or, in respect of assurance engagements, ISQM 1 or requirements regarding the firm's responsibility for its system of quality management that are at least as demanding);
 - principles-based;
 - proportionate and scalable, supporting both reasonable and limited assurance, and which are focused on the information needs of intended users; and
 - framework-neutral.
- We also suggest that, as regulators and other bodies consider how to reduce regulatory burden on entities, including amending rules and requirements, and the thresholds at which different types of engagement are required, that the IAASB liaise with such bodies to remind them of the full range of IAASB standards and work with IFAC to advocate for their use. These support a wide range of engagement deliverables to meet different user needs, which may be performed alone or in combination. For example, a review engagement performed in accordance with ISAE 2400, Engagements to Review Historical Financial Statements that provides limited assurance over an entity's financial statements may better meet user needs in respect of a small and less complex entity, in a cost effective manner, as compared to an ISA audit, in certain jurisdictions.

Future of Assurance

- We strongly encourage the IAASB to lead the dialogue regarding the future of "assurance" in a broad sense, both in respect of sustainability/ESG assurance further to the issuance of ISSA 5000, as well as assurance regarding other subject matter areas, e.g. in respect of technology and controls. We suggest that the IAASB monitor trends regarding global demand for such assurance, as well as any implementation challenges that arise, and convene working groups comprising relevant stakeholders to shape discussions and drive solutions that are appropriate, practical and address user information needs.

- Additionally, to support the delivery of high-quality assurance engagements across a wide range of subject matters, we recommend that the IAASB update ISAE 3000 (Revised), being a foundational assurance standard, and ISAE 3402, given the anticipated demand in respect of assurance over controls, to align with ISSA 5000, as relevant.
- We support the IAASB's intentions, in collaboration with others, to perform outreach to identify, and monitor on an ongoing basis, subject matter areas that are expected to experience significant demand for assurance, and develop practical guidance to highlight the relevant considerations for a practitioner when planning, performing and reporting on such information (similar to the EER guidance that was originally developed in conjunction with jurisdictional standard-setters for applying ISA 3000R to sustainability information).

IESBA

From the IESBA perspective, regulatory change (whether new regulations or deregulation depending on the market) continues to play a significant role in shaping how ethics and independence standards operate globally. Many jurisdictions are working to keep pace with the speed of economic, technological, and workforce change, and there is increased risk that rules become outdated or misaligned with professional practice. The IESBA should be mindful of the pace of standard setting, particularly where rapid change may challenge consistent or timely adoption across jurisdictions and contribute to fragmentation. The IESBA should additionally consider whether the current pace of standard setting supports global operability, including consistent and timely application across jurisdictions.

The priority for the IESBA is to ensure that international standards remain relevant, scalable, and operable across jurisdictions. This will be best achieved through strong coordination with regulators, jurisdictional standard setters and the profession, and an emphasis on principles based approaches that can adapt to evolving circumstances over time. As a global standard setter with mature standards, the IESBA's focus should be on determining where new guidance might be needed to appropriately apply the existing principles of the Code, as further noted in sections A.1, A.2, A.3, C.1, and D.2.

In an increasingly complex and fragmented regulatory environment, the continued role of globally consistent, principles based ethics and independence standards is critical to supporting high quality audit and assurance engagements and sustaining public trust.

The IESBA should continue to proactively engage in outreach with relevant bodies (specifically jurisdictional standard-setters) that are responsible for establishing laws and regulations in respect of ethics and independence requirements for audit/assurance across jurisdictions. To avoid regulatory fragmentation, such engagement should involve better understanding the views and concerns of standard-setting bodies and the profession, as well as barriers to adoption and plans of the standard setting bodies to adopt the current IESBA Code. See response to B.2.

09. Public Sector Organizations

United States Government Accountability Office (GOA)

4 – Slightly increasing in importance

We believe that balancing regulatory burdens and enhancing economic competitiveness is a perennial political question. In some jurisdictions, regulatory burdens may include standards that are perceived to be overly prescriptive and lengthy. We suggest that the SSBs ensure that they can describe clear, discernable benefits before revising standards in ways that increase the work effort and cost for both practitioners and audit clients.

10. Member Bodies or Other Professional Accountancy Organizations

Accountancy Europe (AE)

4 – Slightly increasing in importance

Geopolitical and regulatory changes have always been a feature of the environment in which the profession operates, and we do not consider this to be a new trend.

More importantly, these developments are driven by governments and regulators and are therefore outside the direct influence of standard setters. While they may have indirect implications, they are not something that IAASB or IESBA can meaningfully respond to through standard-setting.

In the current environment, there is a clear move toward simplification and reduction of regulatory burden in several jurisdictions. In this context, it is particularly important that standard setters do not contribute further to complexity and stand back and reflect on simplification and de-burdening means for them. This should be guided by careful cost-benefit considerations and proportionality principles, as it is also reflected in regulatory frameworks such as Directive (EU) 2018/958 on the proportionality test, rather than by short-term political trends.

From this perspective, greater emphasis should be placed on post-implementation reviews to assess where the extant IESBA Code may be creating unnecessary complexity or burden without a corresponding benefit in terms of audit quality or the public interest.

The focus of standard setters should therefore shift from further developing new standards to supporting effective adoption and implementation of existing requirements. In particular, understanding the reasons for limited or inconsistent adoption of certain IESBA standards across jurisdictions would be valuable. This could help identify whether challenges arise from perceived and actual added value, usability, proportionality or alignment with local frameworks, and inform targeted improvements to enhance their practical application.

IAASB rating: 4 Slightly increasing in importance

IESBA rating: 4 Slightly increasing in importance

Global Accountancy Alliance (GAA)

5 – Increasing in importance

Combined Rating: 5

Geopolitical risk has clearly intensified in recent years, including through developments in Europe and the Middle East. At the same time, in a number of jurisdictions there has been sustained momentum to ease regulatory requirements in order to lower perceived compliance costs and encourage competitiveness and growth.

Even so, while shifts in regulation (including phases of deregulation) are observable globally, we do not believe they should be elevated as a strategic priority for the SSBs. As we noted earlier, we believe standard setting should occur based on evidenced public-interest needs, not fluctuate with political cycles.

In our view, it is not the role of the IAASB to resolve regulatory fragmentation, which has been a stated objective in the IAASB's current technology quality management nonauthoritative work. We understand that governments, regulators and/or jurisdictional oversight bodies establish rules and regulations for their jurisdiction because they are likely better situated to address unique needs. We recognize that some regulatory regimes believe that firms need to include in their methodologies even non authoritative guidance produced by the SSBs, but our concern is that the more that the IAASB seeks to resolve regulatory fragmentation, the more prescriptive and idiosyncratic the work of the IAASB becomes, which actually lessens rather than elevates its global relevance. Moreover, it also creates a risk that standard setting becomes regulation by another means. For IESBA, the ethical baseline should remain steady rather than expand or contract in response. In our view, deregulation does not, by itself, create a gap that calls for additional ethics requirements; instead, it highlights the value of a durable, principles-based Code that can be applied consistently across different regulatory settings. The fundamental principles and the conceptual

framework already provide that stable foundation, relying on professional judgment regardless of the direction or intensity of external regulation. Notably, the Code's provisions on pressure to breach the fundamental principles are designed to help professional accountants resist political, organizational, and commercial pressures that can arise during periods of regulatory change. For these reasons, the IESBA's emphasis should remain on reinforcing confidence in the Code's robustness and global operability, rather than reacting to regulatory or geopolitical swings.

Institute of Chartered Accountants in England and Wales (ICAEW)

4 – Slightly increasing in importance

IAASB rating: 4

IESBA rating: 2

A key difficulty for the profession, particularly for large firms that operate globally, is the risk of being caught between differing regulatory requirements and monitoring regimes operating in the UK, Europe, the USA, and elsewhere. Such jurisdictional requirements are set by governments and domestic regulators and of necessity, may adapt or add to global standards that may be set by the International SSBs. We therefore do not consider that the SSBs should seek to create standards in this area.

Institute of Chartered Accountants of Scotland (ICAS)

Combined IESBA and IAASB – Rating – 5

There is no doubt that in recent years the level of geopolitical threat has been amplified by events such as those in Europe and the Middle East, amongst others. Likewise, the regulatory landscape in various jurisdictions across the globe has been subject to considerable political pressure to reduce the regulatory burden on business with a view to removing perceived barriers to economic growth.

Despite the undoubted importance of the geopolitical situation, we do not believe that this is something which the IESBA and IAASB can do much to influence and therefore we do not believe that it should unduly impact the proposed SWPs of the SSBs.

5 – Increasing in importance

International Federation of Accountants (IFAC)

IFAC agrees that regulatory change is an important trend for the SSBs to consider. However, the key issue is not simply that regulation is changing, but whether the SSBs' responses are proportionate, evidence-based, operable and clearly within their remit. We believe that standards should change based on evidenced public-interest needs, not fluctuate with political cycles.

The SSBs should maintain clear role boundaries and avoid standards that implicitly transfer responsibilities to auditors or professional accountants that properly belong to management, those charged with governance, regulators or other actors.

Standard complexity and regulatory burden have more detrimental consequences for the SME sector, and therefore proportionality, scalability, cost-benefit analysis and SME/SMP impact should be treated as public-interest issues.

IFAC encourages the SSBs to respond to regulatory change by first identifying the specific public-interest issue, assessing whether existing standards already address it, and determining whether the appropriate response is standard-setting, implementation support, guidance, coordination or monitoring. New or revised standards should be undertaken only where a clear gap is evidenced, benefits justify cost and complexity, and SME/SMP and jurisdictional impacts have been properly considered.

4 – Slightly increasing in importance

06.08. No rating provided but with comments

01. Monitoring Group

International Organization of Securities Commissions (IOSCO) Committee

B - Changes in the Geopolitical and Regulatory Landscape – Moderate-High Influence

Changes in the geopolitical and regulatory landscape continue to shape the environment in which the Boards carry out their work. Although the matters discussed in this section may not rise to the same level of influence as the technology-related trends in Section A, they remain critical contextual considerations that could guide the Boards' strategic direction. These developments, including evolving regulatory expectations, risks of fragmentation, the need for greater agility in standard setting, and the importance of diverse stakeholder input, interact closely with the strategic goals outlined in Section III and influence how the Boards approach the development, implementation, and coordination of high-quality global standards.

B.1 Regulatory Changes

We encourage the Boards to balance technical rigor with practical insight and to ensure that standard-setting decisions are supported by transparent and appropriately thorough cost benefit analyses. We believe it remains essential for the Boards to develop standards that are scalable and proportionate, enabling effective implementation by accounting firms in diverse regulatory environments serving entities of varying sizes. We also encourage the Boards to maintain a principles-based approach to standard setting to support broad adoption and consistent application.

10. Member Bodies or Other Professional Accountancy Organizations

CPA Australia

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

B.1 Regulatory changes:

Use this trend to strengthen communication of the enduring value of principles-based international standards rather than tailoring standards to regulatory swings. For the IAASB, resist reactive amendments and instead support interoperability and consistent interpretation across jurisdictions. For the IESBA, maintain a principles-based Code and use adoption/implementation efforts and post-implementation reviews to understand where regulatory divergence affects operability, responding proportionately (often via education rather than Code change). **06.09. No specific response**

01. Monitoring Group

International Federation of Independent Audit Regulators (IFIAR)

02. Users of Financial or Non-Financial Information

Goro Kumagai (The Securities Analysts Association of Japan)

Sarasin & Partners

05. Regulators and Oversight Authorities

Canadian Public Accountability Board (CPAB)

Committee of European Auditing Oversight Bodies (CEAOB)

Public Accountants and Auditors Board Zimbabwe (PAABZ)

Public Company Accounting Oversight Board (PCAOB) – Views of the PCAOB Chief Auditor