

# Agenda Item 3-C.14 (Supplemental)

## IESBA and IAASB Joint Stakeholder Survey – D.4 Evolving Structures and Business Models of Accounting Firms - Non-Assurance Service Line

**15.01. 0 – I do not agree that this is a trend to be considered**

### 02. Users of Financial or Non-Financial Information

**Jane Wilson (Wilsojay Investments)**

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

I do not understand this one.

**Koei Otaki (SMBC Nikko securities Inc)**

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

An urgent review of audit firms' structures, audit procedures, audit standards, and ethical standards is necessary, based on the premise of using AI.

### 06. Jurisdictional and National Standards Setters (JSS)

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

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

In current practice at most firms, non-audit service lines, such as consulting and tax, are subject to the same ethical and quality rules as auditing; existing auditing standards and the Code already serve as a framework for non-audit activities

**Wirtschaftsprüferkammer (WPK)**

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

Both boards should limit their activities to the areas of their mandates, i.e. to "auditing, quality management, review, other assurance and related services" and "ethics (including independence) for professional accountants". Where professional accountants or accounting firms provide non-assurance services the provisions of the extant IESBA Code are considered sufficient.

### 07. Accounting Firms

**BDO International Limited**

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

See our responses to D1-D3.

**Deloitte Touch Tohmatsu Limited**

See response to D.1 above.

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

#### **Grant Thornton International Ltd (GTI)**

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

Non-professional accountants are not required to comply with the standards set by either SSB. We believe the growth of non assurance services described above is primarily a business and risk management matter that is within the domain of individual accounting firms to manage. We suggest the SSBs focus on addressing other issues we rate as a higher priority in this survey instead of addressing non-assurance services.

#### **Krzysztof Burnos**

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

#### **PricewaterhouseCoopers International Limited (PWC)**

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

The growth of non-assurance services and their implications for independence, audit quality and public trust have been the subject of significant and relatively recent standard-setting activity through the IESBA's 2020 Non-Assurance Services (NAS) revisions. The IESBA has scheduled a post-implementation review of the NAS revisions for 2027. We consider it appropriate to await the outcome of this post-implementation review before assessing the need for any further action.

### **10. Member Bodies or Other Professional Accountancy Organizations**

#### **Malaysian Institute of Accountants (MIA Malaysia)**

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

The expansion of non-assurance services, and the resulting concerns for independence, audit quality and public trust, has been the focus of significant and relatively recent standard-setting effort through the IESBA's 2020 Non-Assurance Services (NAS) revisions. As the IESBA has scheduled a post-implementation review of these revisions for 2027, we consider it prudent to defer any decisions on additional measures until those review findings are available.

#### **Malta Institute of Accountants (MIA Malta)**

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

The impact of non-assurance services on independence, audit quality, and public trust has been addressed by recent IESBA NAS revisions.

#### **South African Institute of Chartered Accountants (SAICA)**

The IESBA, in particular, should ensure that the existing ethical principles remain clear and enforceable across increasingly complex business models. The business models of accounting firms, including the provision of non assurance service lines, are appropriately shaped by jurisdiction specific regulatory requirements. The Code already contains well established provisions to address potential threats arising from such services, particularly where they may impact independence or give rise to conflicts of interest—for example, through the provisions relating to fees, self interest, and self review threats. In SAICA's view, these principles based safeguards remain effective and proportionate. Unless there is clear, robust, and comprehensive evidence— supported by extensive research—that demonstrates a compelling need for global standard setting intervention or amendments to the Code in this area, the existing standards and

ethical requirements should remain unchanged. Maintaining stability in the ethical framework is critical to preserving professional judgment, managing complexity, and avoiding unnecessary regulatory burden. The IESBA, in particular, should ensure that ethical principles remain clear and enforceable across increasingly complex business models.

The SSBs should recognise that:

- Increased regulation may impact attractiveness of audit roles and
- There is a need to ensure standards remain proportionate and practical to support talent retention while maintaining quality.

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

## 12. Others

### Eri Murakami (Wood Design Studio Inc.)

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

Bedrock has been exposed

## 15.02. 1 – Strongly decreasing in importance

### 06. Jurisdictional and National Standards Setters (JSS)

#### Hong Kong Institute of Certified Public Accountants (HKICPA)

1 – Strongly decreasing in importance

The growth of non-assurance services and related independence considerations have been the subject of substantial recent standard setting activity, including revisions to the IESBA Code and planned post-implementation reviews. Given this work, we do not expect this trend to increase in relative importance during the 2028–2031 strategy period. The priority should be on monitoring how existing requirements operate in practice and considering the outcomes of forthcoming post implementation reviews before determining whether any further action is necessary.

In the interim, targeted implementation support or illustrative examples—where specific application challenges are observed, including in smaller or less mature markets—may help reinforce consistent understanding of existing safeguards and boundary conditions, while maintaining confidence in the principles based framework of the Code.

## 15.03. 2 – Decreasing in importance

### 07. Accounting Firms

#### Forvis Mazars Global Limited (Mazars)

2 – Decreasing in importance

We do not believe standard setting or other activities are necessary, other than post implementation review reviews of some of the recent changes to the IESBA code (e.g. NAS and fee-related provisions) to assess whether they are effective and proportionate.

## 15.04. 3 – Slightly decreasing in importance

### 10. Member Bodies or Other Professional Accountancy Organizations

#### Belgian Institute of Tax Advisors and Accountants (ITAA)

It is already popular in the Belgian market for the moment. Probably won't change in the future.

3 – Slightly decreasing in importance

#### **Chartered Accountants Ireland (CAI)**

In many markets, there is an important distinction between statutory audit and other assurance services, with audit typically characterised by more stable demand, while non-audit services tend to be more cyclical and sensitive to economic conditions and shifts in client needs. Accordingly, responding to growth in a particular service category through changes to standards may be premature unless there is a specific and critical issue to be addressed, such as a clearly identified gap in existing requirements arising from the provision of certain non-assurance services.

Further expansion or prescriptive layering of requirements in this area risks duplication with jurisdictional regulation, particularly given that non-assurance services are already subject to detailed oversight in many regions. International standards are most effective when they articulate clear ethical expectations and outcomes, rather than attempting to regulate business models or revenue mixes. Priority should be given to ensuring the effective application and understanding of existing requirements, including how professional judgement is exercised in managing threats to independence. If additional support is considered necessary, this may be better addressed through clarification or practical guidance, rather than through new or expanded prohibitions.

3 – Slightly decreasing in importance

#### **European Federation of Accountants and Auditors for SMEs (EFAA)**

3 – Slightly decreasing in importance

EFAA considers the growth of non-assurance service lines to remain an important matter for the profession, although we assess its relative importance as slightly decreasing. Non-assurance services continue to represent a significant source of revenue for many firms and can support innovation, multidisciplinary expertise, and broader client service capabilities. At the same time, EFAA recognizes that the expansion of these service lines continues to raise important considerations for independence, conflicts of interest, ethical safeguards, and public perception. In particular, where corporate failures or scandals are associated with the provision of non-assurance services, there is a risk of undermining trust in the profession and its public interest role, including confidence in audit and assurance services more broadly.

EFAA therefore encourages the boards to continue monitoring developments in this area and to ensure that standards and ethical requirements remain clear, proportionate, and effective in safeguarding independence, objectivity, and public trust. Particular attention should be given to practical guidance for SMEs and SMPs in managing these risks within multidisciplinary service models.

### **12. Others**

#### **Wenzel Reyes (MindBridge)**

3 – Slightly decreasing in importance

### **15.05. 4 – Slightly increasing in importance**

#### **02. Users of Financial or Non-Financial Information**

#### **CFA Institute**

4 – Slightly increasing in importance

For investors, trust in assurance has ALWAYS been adversely affected by these basic facts: (1) non-assurance service lines; (2) assurance firms selected and paid by the entity; and (3) the assurance firm does not have meaningful downside exposure ("skin in the game") to the risks they are assuring against. The IESBA code and government regulations are intended to mitigate these to increase trust in assurance. We don't see these fundamental pressures on trust - that have been with us forever - as significantly changing in either direction during the upcoming strategy period absent a regulatory change such as a prohibition on common control of assurance and non-assurance businesses.

#### International Corporate Governance Network (ICGN)

4 – Slightly increasing in importance

No major additional comment. This remains relevant to trust in the profession, particularly where non-assurance services create independence, conflicts or reputational risks. However, compared with technology, adoption, fragmentation, sustainability and ownership structures, this appears to be a lower priority for the next strategy period.

#### Investment Company Institute

Place focus on implementation, operationalization, and post-implementation assessment of recently issued standards and revisions before pursuing substantial additional standard-setting initiatives in this area.

4 – Slightly increasing in importance

#### Kei Tsuchiya (The Securities Analysts Association of Japan)

4 – Slightly increasing in importance

### 03. Preparers or Issuers of Financial Statements or Other Information

#### Business Europe

This continues to be an important element, both in terms of independence for the assurance provider but also in terms of securing access to relevant non-assurance services for the businesses. Continued monitoring is needed to understand how non-assurance service lines are evolving and what this means for independence, competence, service delivery and accessibility for the preparers/companies.

It should be noted, that while non-assurance services may create independence risks that need to be managed carefully, they can also deepen expertise that may enhance the quality of audit and assurance work for other clients. The standards should therefore balance the need for deepened and enhanced knowledge of new areas, e.g. on sustainability, and the ability to utilise new technologies with the independence and service that can be delivered by the audit firms.

Targeted practice statements or explanatory material may be useful in clarifying how new developments fit within the existing standards framework.

4 – Slightly increasing in importance

### 04. Those Charged With Governance

#### Kaori Ito (Yourmysyar Inc.)

4 – Slightly increasing in importance

The expansion and evolution of non-assurance service lines continue to raise familiar questions around independence and conflicts of interest. While these issues remain important, they largely represent the re-emergence of longstanding tensions rather than a fundamentally new driver of change in the SSBs' strategic priorities.

## **05. Regulators and Oversight Authorities**

### **Independent Regulatory Board for Auditors (IRBA)**

4 – Slightly increasing in importance

### **UK Financial Reporting Council (UK FRC)**

4 – Slightly increasing in importance

We believe this is appropriate to monitor, but we not aware of new issues emerging. The non-assurance services provisions in the independence standards are, in our view, proportionate for mandatory audits. Some firms dealing with small clients who don't have, for example, in-house accounting/tax expertise would welcome more leniency, but it is a fundamental tenet that, for an "independent" audit, threats to independence are eliminated or, if that is not possible, reduced to a level where a reasonable and informed third party would likely conclude that the auditor's integrity, objectivity and professional scepticism are not compromised.

## **06. Jurisdictional and National Standards Setters (JSS)**

### **Auditing and Assurance Standards Board of Canada (AASBC)**

- Service Diversification: Firms continue to expand beyond traditional service offerings (e.g., tax, bookkeeping and other finance oriented services) into areas such as HR, legal, technology, and sustainability. While this shift reflects evolving client needs, delivering services outside core competencies may introduce quality risks related to insufficient subject-matter expertise. Additionally, providing non-assurance services to assurance clients can give rise to independence threats and potential conflicts of interest.

4 – Slightly increasing in importance

### **GLASS Group of Latin American Accounting Standard Setters (GLENIF)**

- Sustainability assurance has increased; a potential threat to independence if there are no safeguards. • Increases risks of conflicts of interest; strengthens independence frameworks.
- Structural transformation of the firms' business model; redefining the boundaries between auditing and consulting. • Sustainability considered as a "strategic advisory service".

4 – Slightly increasing in importance

### **Japanese Institute of Certified Public Accountants (JICPA)**

4 – Slightly increasing in importance

### **New Zealand Auditing and Assurance Standards Board (NZAuASB)**

4 – Slightly increasing in importance

Ethical considerations become more important when other services are provided to an assurance client. The relevance of these considerations is often not well understood by non-auditors performing such work. We

encourage the SSBs to consider these issues, and any related impacts on the Code or the quality management standards, in a coordinated way.  
Differing fee structures in other service lines might give rise to ethical considerations.

### **Royal Netherlands Institute of Chartered Accountants (NBA)**

4 – Slightly increasing in importance

We have noticed an increase by accounting firms to engage in non-assurance services. This can result in independence issues or a decrease in the focus on high quality audits. Especially when there is more profit to gain on advisory services than fixed fees for audit engagements. This development reinforces the need for robust quality controls to safeguard audit quality. Even though we see an increase in non-assurance services, we are highly concerned regarding standard setting for firms providing mainly non-assurance services (especially non-assurance services which are not related to assurance) due to restrictions in our mandate. We cannot implement standards outside of our mandate. This increases the risk of fragmentation.

### **07. Accounting Firms**

#### **Kudos International**

4 – Slightly increasing in importance

#### **MAH, Chartered Accountants**

4 – Slightly increasing in importance

They may look to aggressively cross sell and overpromote non-assurance services, leading to threats to independence and objectivity

#### **Piotr Witek (Moore Polska)**

4 – Slightly increasing in importance

#### **RSM International Limited**

4 – Slightly increasing in importance

We believe that non-assurance service lines (e.g., tax, consulting, valuation, information technology (IT) risk and sustainability) continue to grow in importance within firms, often at a faster pace than traditional assurance services. This growth appears to be a structural reality of the profession, rather than a temporary trend, driven by client demand, profitability and evolving business models.

Non-assurance services are also increasingly integral to the delivery of assurance engagements. Many audits now rely on experts from non-assurance service lines, such as valuation experts, tax specialists, IT-risk professionals or technology experts, to execute core aspects of the audit. This growing interdependence complicates the traditional view of non-assurance services as purely ancillary or potentially conflicting.

Ethics and independence considerations

Despite their operational importance, non-assurance services may present ethics and independence risks, including when the same firm provides multiple services to an audit or other assurance client. However, these risks are already well-recognised, subject to extensive regulation and generally easily managed. In addition, firms that deliver non-assurance services to assurance clients generally provide higher-quality services as they gain a deeper understanding of the client. Accordingly, we do not consider this area to currently require significant additional standard-setting focus. However, we support continued monitoring to identify any emerging issues that may require clarification.

Further details on how alternative practice structures may influence ethics and independence considerations associated with non-assurance services are set out in our response to Question 5D.1.

We believe it is important to maintain an appropriate balance between independence safeguards and practical considerations of non-assurance services. Overly restrictive approaches may limit firms' abilities to compete or deliver high-quality assurance that relies on input by experts while overly permissive approaches could undermine trust. A balanced, principles-based approach remains critical in this area.

## **10. Member Bodies or Other Professional Accountancy Organizations**

### **Association of Chartered Certified Accountants (ACCA)**

The continued growth of non-assurance services is expected to increase moderately in importance and could have implications for independence, audit quality, and public trust in the profession.

The expansion of non-assurance service offerings, alongside evolving firm business models, may give rise to new or heightened threats to independence, as well as increased scrutiny from stakeholders.

From an IESBA perspective, this trend is particularly relevant, as it directly relates to the robustness and application of independence and ethical requirements, including the identification and management of conflicts of interest and self-review threats.

From an IAASB perspective, while independence requirements are outside its direct remit, the perception and reality of independence are fundamental to audit quality and confidence in audit outcomes.

Addressing this trend may involve continued monitoring, post implementation reviews, guidance, and targeted enhancements, as well as a focus on consistent application, rather than necessarily broad new standard-setting initiatives.

4 – Slightly increasing in importance

### **Chartered Accountants Australia and New Zealand (CAANZ)**

4 – Slightly increasing in importance

We are not currently seeing strong trends increasing demand for NAS outside of circumstances already addressed by the standards and the Code.

However, it is possible that changes to firm ownership models may increase demand for NAS as PE investors seek growth.

For the IESBA: The PIRs of the NAS and Fees projects will be important to provide insights into how this issue is evolving in practice.

### **Institute of Public Accountants (IPA)**

4 – Slightly increasing in importance

IPA agrees with the observation that:

"The growth of non-assurance services has become a major source of revenue for accounting firms compared to fees for their audit and assurance services. If there is a corporate scandal or failure related to the provision of these services, it impacts the trust in the accountancy profession and its public interest role." This has been an on-going issue for some time. Much research, consultation, government inquiries and recommendations have been garnered on this matter. We think that this is a matter that requires standard-setters, profession and regulators with the political to come together to resolve.

### **Institute of Singapore Chartered Accountants (ISCA)**

4 – Slightly increasing in importance

We anticipate that accounting firms in Singapore will continue to look to expanding their non assurance service lines in areas such as sustainability reporting and assurance. This raises ongoing challenges around independence, conflicts of interest and ethical safeguards. Accordingly, we expect this trend to slightly increase in importance over the 2028–2031 strategy period for the SSBs to maintain clear and future-ready principles that preserve public trust while reflecting the evolving business models.

### **Pavel Dimitrov (Union of Accountants in Bulgaria)**

4 – Slightly increasing in importance

The expansion of non-assurance service lines is an important development that influences firm business models, market dynamics, and potential independence considerations. However, its urgency is lower compared to core public-interest priorities such as sustainability, regulatory alignment, and technology-enabled risks. A rating of 4 reflects that this area is relevant and requires monitoring, particularly regarding ethical safeguards and independence, but it is not among the highest-priority issues for the 2028–2031 strategy period.

### **Polish Chamber of Statutory Auditors (PIBR)**

4 – Slightly increasing in importance

## **11. Academics**

### **Kenichi Akiba (Waseda University)**

4 – Slightly increasing in importance

### **Nicole Ratzinger-Sakel (University of Hamburg Business School)**

4 – Slightly increasing in importance

## **12. Others**

### **AIDS Committee of Toronto**

4 – Slightly increasing in importance

### **Cristian Emmanuel Munarritz**

4 – Slightly increasing in importance

I think ethics and independence standards are robust enough regarding this issue. Nonetheless, non-authoritative material may be issued

### **Louise Willdridge (LBW Global)**

4 – Slightly increasing in importance

### **Wai Man (Emily) Ho**

4 – Slightly increasing in importance

## **15.06. 5 – Increasing in importance**

### **02. Users of Financial or Non-Financial Information**

#### **Goro Kumagai (The Securities Analysts Association of Japan)**

5 – Increasing in importance

#### **Jose Esposito (Credicorp Ltd.)**

5 – Increasing in importance

#### **Martin Lawrence (Ownership Matters Pty Ltd)**

5 – Increasing in importance

Risks posed to reputations of firm will remain from non-assurance business lines such as (and especially) tax

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

The continued expansion of non-assurance services relative to audit revenues raises ongoing questions about independence and the perception of objectivity. For capital markets, maintaining a clear and credible separation between assurance and other services remains fundamental to trust in the profession.

5 – Increasing in importance

### **03. Preparers or Issuers of Financial Statements or Other Information**

#### **Japan Business Federation – Keidanren**

It is our understanding that, traditionally, opportunities for engagement with a diverse range of stakeholders have been extremely limited within the financial audit profession. Given the unique environment in which auditors operate, characterized by their third-party role and professionally protected position, there appears to remain a considerable gap in perspective between accountants and those engaged in broader business activities.

In this regard, the expansion of sustainability disclosure and related non-assurance services may also present an opportunity to narrow the gap in perspective between accountants and companies. Recently, we have observed a clear commitment to active stakeholder engagement, including through this survey, as well as efforts to strengthen engagement with the broader business community, such as through the appointment of non-accountants as core members of the IAASB and IESBA. These developments are highly encouraging.

However, based on the content of this survey, we feel that a considerable gap in perspective still remains. Our understanding is that, in typical corporate communication, emphasis is placed on communicating from the recipient's perspective, using plain language that facilitates understanding, and conveying clear and concise key messages.

In contrast, this survey was overly verbose and difficult for respondents to understand, and required considerable time to interpret.

We feel that there remains significant room for improvement in the fundamental approach and mindset toward engagement and communication.

Rather than focusing on whether a message has been "conveyed," greater emphasis should be placed on whether it has actually been "understood."

We are grateful for this opportunity, and hope that the expansion of sustainability disclosure and related non-assurance services will lead to positive changes and improvements in communication approaches and mindsets, ultimately helping to narrow the gap in perspective between accountants and companies.

5 – Increasing in importance

#### **Sevdalina Paskaleva**

5 – Increasing in importance

### **05. Regulators and Oversight Authorities**

#### **Hellenic Accounting and Auditing Standards Oversight Board (HAASOB)**

5 – Increasing in importance

PE is often interested in the full firm, not just the audit/assurance practice — bringing the entire organisation into scope. PE investment in Non-Assurance Service Line creates both significant risks and meaningful opportunities for the audit profession. Main risks include:

Complexity in identifying independence threats and conflicts of interest.

Impact on culture and professional skepticism.

Governance: changes in day-to-day operations & decision-making.

#### **National Association of State Boards of Accountancy (NASBA)**

5 – Increasing in importance

No matters to highlight at this time.

#### **Tokyo Stock Exchange**

5 – Increasing in importance

It is necessary to exercise due caution to ensure that the quality of accounting and auditing does not decline as a result of the increasing proportion and importance of non-assurance services within accounting firms.

### **06. Jurisdictional and National Standards Setters (JSS)**

#### **Instituto Mexicano de Contadores Públicos (IMCP)**

5 – Increasing in importance

There are mixed views from the NSS group on this item as we recognize that on one hand, firms are constantly looking for alternative sources of revenue from non-assurance services; however, on the other hand, restrictions on independence and firm policies are getting more robust to prevent any potential conflict of interest or non-compliance with actual ethical rules and assurance standards. Nonetheless, we also agree that pressures on financial metrics, lack of knowledge, and insufficient resources/training across the firm may result in inappropriate or unintended actions causing breaches at the personnel and engagement level. Internal and external inspectors have observed a trend of increases in such aspects and are

requesting firms to implement corrective actions to enhance internal controls to avoid having more incidences. We consider that this trend is more at the firm level response rather than Boards getting involved in detail. It is not clear the direction that it is intended to be taken as a potential response from the standard setting Boards.

## **07. Accounting Firms**

### **Alan Am**

5 – Increasing in importance

### **Baker Tilly International**

The independence and Ethics issues around providing non-assurance services to assurance clients are well considered within the current frameworks and do not need to be changed, but equally they must not be ignored either. There does need to be a consistency of approach so that audit does not become more and more regulation / standards driven while non-assurance is deregulated (simplifying corporate reporting requirements for example).

5 – Increasing in importance

### **Gats-Ratings Professionals**

5 – Increasing in importance

### **Jack Schoeman (PWC)**

5 – Increasing in importance

The main risk is that a scandal in a non-audit area could ruin the reputation of the whole profession. The SSBs' standards must ensure that there is a clear line between different services so that trust in the audit stays high. We do not need more legislation or more layers of regulation that complicate things for the sake of it. Instead the boards should keep the focus on strong ethical boundaries that are easy to understand. This is the only way to protect the profession and keep it relevant to the public in the world today.

### **José María Hinojal (BNFIX)**

5 – Increasing in importance

## **08. Sustainability Assurance Providers other Than Accounting Firms**

### **Anum Atique (Islamic Non Banking Financial Institution)**

5 – Increasing in importance

## **09. Public Sector Organizations**

### **Sanford Rich (NYC Board of Education Retirement System)**

5 – Increasing in importance

Accounting firms may be one of the direct conduits for implementing digital tools for clients. If digital tools are successful, there should be a continuous audit process being performed in support of both internal and external audit processes.

## 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

Auditing accounts, despite its high economic and social relevance, requires a determined effort to disseminate, reposition and approach the new generations, which makes it essential to have an adequate implementation and coordination between auditing firms, educational centers and national and international organizations, in order to reinforce the attractiveness of the profession, adapt it to the new demands of the digital and business environment. and to guarantee the sustained incorporation of qualified young talent in the coming years.

5 – Increasing in importance

### Pan African Federation of Accountants (PAFA)

5 – Increasing in importance

The expansion of non-assurance services is a significant and increasingly influential trend with important implications for audit quality, independence, and public trust.

From an African perspective, while non-assurance services provide opportunities for firm growth and diversification, they also introduce heightened risks of conflicts of interest, perceived or actual threats to independence, and spillover effects from non audit failures into audit credibility.

For IAASB, this reinforces the importance of strong firm-level quality management systems that address governance, risk management, and client acceptance across service lines.

For IESBA, there is a need to further strengthen independence safeguards, ethical requirements, and clarity around threats arising from commercial relationships and integrated service delivery models. Both Boards should continue monitoring the impact of expanding non-assurance service models, informed by implementation experience and evidence, while ensuring that existing ethical safeguards, independence requirements, and quality management standards remain robust and consistently applied across evolving business models.

## 11. Academics

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

5 – Increasing in importance

## 12. Others

### Kazuhiro Yoshii (Securities Firm)

5 – Increasing in importance

While it is an important source of revenue, the core of the business should remain audit and assurance services.

## **15.07. 6 – Strongly increasing in importance**

### **02. Users of Financial or Non-Financial Information**

#### **Impax Asset Management**

6 – Strongly increasing in importance

From an investor and public-interest perspective, Impax believes:

- Perceived or actual conflicts arising from non-assurance services can undermine trust in the audit and assurance profession as a whole.
- The IESBA's role in setting clear, enforceable boundaries and safeguards remains critical.
- Strong coordination with IAASB standards on quality management is needed to ensure independence risks are identified and managed holistically.

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

6 – Strongly increasing in importance

The continued growth of non-assurance services raises significant public-interest considerations, particularly where such activities may create actual or perceived conflicts of interest. Public confidence in audit and assurance depends heavily on perceptions of independence and objectivity.

Where commercial incentives increasingly shift toward advisory and other non-assurance services, the SSBs should continue assessing whether ethical and independence frameworks remain sufficiently robust and whether additional safeguards or guidance may be necessary.

### **03. Preparers or Issuers of Financial Statements or Other Information**

#### **Ajinomoto Co., Inc.**

As non-assurance services expand, users may find it difficult to understand how they differ from assurance services. Transparency and clear explanations are important to ensure that the purpose and role of each engagement are well understood.

6 – Strongly increasing in importance

#### **Ascendia EOOD**

6 – Strongly increasing in importance

### **05. Regulators and Oversight Authorities**

#### **Botswana Accountancy Oversight Authority (BAOA)**

6 – Strongly increasing in importance

No matters to highlight

#### **Martina Morrissey (IAASA)**

6 – Strongly increasing in importance

In a PE environment where profit maximisation is prioritised, it is difficult to see how audit quality will not be negatively affected. The incentive to utilise resources on more profitable (non audit) work will be an area of concern.

## **06. Jurisdictional and National Standards Setters (JSS)**

### **Brazil Institute of Independent Auditors (IBRACON)**

6 – Strongly increasing in importance

We believe this should focus on independence matters and whether non-assurance service can be present along with audit services.

### **Saudi Organization for Chartered and Professional Accountants (SOCPA)**

6 – Strongly increasing in importance

## **07. Accounting Firms**

### **AFCA Desarrollos Profesionales**

6 – Strongly increasing in importance

El riesgo reputacional es alto y se necesita mitigar.

### **Shreekant Prasad (Govindham Consultancy Services)**

6 – Strongly increasing in importance

## **08. Sustainability Assurance Providers other Than Accounting Firms**

### **Keung Ho Keung Ricky**

6 – Strongly increasing in importance

## **09. Public Sector Organizations**

### **Audit Board of Republic Indonesia**

6 – Strongly increasing in importance

Preparing accounting report, conduct audit on financial report become less meaningful nowadays as it only talks about governance, aspects of environment and social become crucial for public now

## **10. Member Bodies or Other Professional Accountancy Organizations**

### **Asociación Interamericana de Contabilidad (AIC)**

6 – Strongly increasing in importance

Servicios relacionados de auditoría de IA y afines, en enfoques técnicos y éticos, de responsabilidad en su uso, generación información y valoración de la misma.

## **11. Academics**

### **Kiran Seth (Sunway University)**

6 – Strongly increasing in importance

## 12. Others

### Mahmoud Bilal (Unimar)

6 – Strongly increasing in importance

### 15.08. Letters providing separate ratings for IAASB or IESBA

### 06. Jurisdictional and National Standards Setters (JSS)

#### Accounting Professional & Ethical Standards Board (APESB)

4 – Slightly increasing in importance

No further comments.

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

IESBA and IAASB rating: 0

Though non-assurance service lines may grow, we note that IESBA has already issued guidance addressing fees and non assurance services and related threats to independence. Accordingly, we do not see a need for additional standard-setting activity in this area unique to evolving structure and business models absent clear evidence of a systemic problem requiring such intervention. The same is true for the IAASB – no standard setting is needed in this area.

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

#### Australian Auditing and Assurance Standards Board (AUASB)

#### Institut der Wirtschaftsprüfer (IDW)

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

IAASB

The IAASB's standards address quality management and engagement standards for audits, reviews, assurance and related services. As such, the IAASB does not address non-assurance services beyond the related services (currently agreed-upon procedures engagements and compilation engagements).

IESBA

In relation to IESBA, non-assurance services are already covered by the Code and recent revisions have significantly increased the requirements in this area. The focus should instead be on post-implementation reviews of these changes, such as those relating to non-assurance services and fees, to evaluate whether they are proportionate, effective, and have been workable in practice.

#### Nordic Federation of Public Accountants (NRF)

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

The growth of non assurance service lines may influence firm business models and public perceptions, but this should not be treated as a standalone standard setting priority. For IESBA, any action should build on experience with existing non assurance services and fees provisions and be evidence based. For IAASB, relevance arises only if clear implications for quality management or audit quality are identified. Broader changes in firm business models should not, by themselves, drive new standard setting activity.

## 07. Accounting Firms

### Ernst & Young Global Limited (EY)

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

Accounting firms increasingly operate as multidisciplinary organizations, involving non-assurance professionals, such as technologists, data scientists, sustainability experts, and AI specialists, in delivering on new assurance demands from the market, including sustainability and AI-related engagements. Audit and assurance quality in multi-disciplinary firms benefits from the knowledge and skills of non-assurance professionals in other service lines and there is no clear evidence that the provision of non-assurance services has a direct or substantive role in causing ethics or independence failures.

Consistent with our response to D2, we believe ISQM 1 and the IESBA Code are fit for purpose in addressing threats to independence and assurance quality in multi-disciplinary firms. These frameworks already provide robust safeguards to manage risks arising from diverse service lines while supporting innovation and market-relevant assurance. Accordingly, we do not support further IESBA standard development for non-professional accountants until more experience is gained from the adoption and implementation of IESSA.

### KPMG International Limited

IAASB – 3 Slightly decreasing in importance, IESBA – 3 Slightly decreasing in importance

The growth of non-assurance services, particularly technology-enabled services supported by AI specialists and other SMEs intersects closely with the talent and service delivery considerations described above in D3. We consider that the trend "Non-Assurance Service Line" is expected to be of slightly decreasing importance over the survey period in terms of being a key driver of the SSBs' strategic initiatives. We consider that the IAASB standards, in particular ISQM 1, that addresses firm-level quality management, and the IESBA Code, are already fit for purpose to address challenges that may arise in this area. Accordingly, we recommend that both boards continue to monitor developments in this area.

3 – Slightly decreasing in importance

## 09. Public Sector Organizations

### United States Government Accountability Office (GOA)

We do not offer a response for this item.

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

## 10. Member Bodies or Other Professional Accountancy Organizations

### Accountancy Europe (AE)

1 – Strongly decreasing in importance

This topic should not lead to further expansion of standards. The provision of non-assurance services is already addressed through existing frameworks, and recent revisions have significantly increased requirements in this area. The priority should be on post-implementation reviews of recent changes (e.g. NAS and fee-related provisions) to assess whether they remain proportionate, effective and operable in practice.

This topic should be closely monitored going forward, particularly in light of changes in ownership structures.

IAASB rating: 1 Strongly decreasing in importance

IESBA rating: 1 Strongly decreasing in importance

### Global Accountancy Alliance (GAA)

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

Combined Rating: 0

Although non-assurance service lines may continue to expand, the IESBA has already strengthened the Code's requirements on fees and non-assurance services and the associated independence threats. In the absence of clear evidence of a global systemic issue unique to evolving structures that warrants further intervention, we do not support additional standard-setting in this area.

The increase in non-assurance services in firms has been noted as a potential detriment to ethical conduct in the firm culture and governance project. We do not view growth in non-assurance services as a basis for elevating firm culture and governance to a standard-setting priority. Consistent with our previous comments on the FCG project, we are not aware of evidence that the Code is deficient in this area, nor has a root-cause analysis been demonstrated that would justify new requirements. To the extent further support is helpful, it should be provided through clearly nonauthoritative materials that help professional accountants apply the Code's fundamental principles and conceptual framework in practice, rather than through broad governance-oriented outputs that risk contradicting quality management requirements, overlap with jurisdictional firm governance regimes, impose disproportionate implementation burdens, and create de facto requirements without the safeguards of due process.

### Institute of Chartered Accountants in England and Wales (ICAEW)

1 – Strongly decreasing in importance

IAASB rating: 1

IESBA rating: 1

ICAEW notes that the provision of non-assurance services is already addressed through existing frameworks, and in the UK is subject to regulatory oversight by the FRC. In the UK, voluntary operational separation of some of the largest firms has contributed to reducing the urgency of this trend, where independence threats have been somewhat reduced.

### Institute of Chartered Accountants of Scotland (ICAS)

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

Combined IESBA and IAASB – Rating – 0

The IESBA introduced a significant strengthening of its non-assurance services related provisions, as well as fees, for periods commencing on or after 15 December 2022. We are not aware of any current systemic issues relating to such services and therefore believe that the IESBA should not consider undertaking a project in this area until a post implementation review of the impact of these recent changes has been undertaken in due course or there is clear evidence of a system deficiency in the Code that clearly needs to be addressed.

The growth of non-assurance services provided by firms has been identified in the firm culture and governance project as a possible risk to ethical conduct. However, we do not believe that this growth trend, in itself, justifies elevating firm culture and governance to a standard-setting priority and we are not aware of any deficiency in the Code in that regard.

### International Federation of Accountants (IFAC)

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

IFAC acknowledges that the growth of non-assurance service lines may affect accounting firm business models and public perceptions of the profession. However, IFAC does not believe this should automatically be treated as a standalone standard setting priority.

For IESBA, the appropriate starting point is to learn from the application of existing non-assurance services and fees provisions, including through any planned or future post-implementation review activity. Further action should be based on evidence that those provisions are not operating as intended or that a specific gap exists in the Code.

For IAASB, the relevance appears less direct unless evidence shows implications for audit quality management or engagement quality. Any IAASB action should therefore be tied to a clearly identified quality management or audit quality issue.

More broadly, changes in firm business models should not, by themselves, drive new standard-setting. Any further work should be based on a clearly defined public-interest issue, evidence of a standards gap, and consideration of whether existing standards, implementation support or targeted guidance would be the more appropriate response.

## **15.09. No rating provided but with comments**

### **01. Monitoring Group**

#### **International Organization of Securities Commissions (IOSCO) Committee**

##### **D.4 – Non-Assurance Service Lines – Low Influence**

Growth in non-assurance service lines can create economic dependence and perception risks, but we also recognize that access to specialists can enhance audit quality when appropriately supervised. While we recognize the potential impact of these dynamics on the broader ecosystem, similar to our observations in D.2 and D.3, the influence of this trend on the SSBs' standard-setting landscape appears relatively limited at this stage. The existing quality management such as ISQM 1's focus on firm-level governance, culture, and risk assessment, already provide a robust foundation for identifying and addressing threats arising from non-assurance services. As the Boards monitor the evolution of firm service models, reflecting on how these developments align with the current frameworks may help determine whether any future areas warrant further attention.

### **05. Regulators and Oversight Authorities**

#### **Canadian Public Accountability Board (CPAB)**

##### **Non-Assurance Service Line**

CPAB supports close collaboration and coordination between the IAASB and IESBA to respond to risks related to the continued growth of non-assurance services, particularly in the context of multidisciplinary firms and alternative ownership structures. This is a key area of risk to public trust that is expected to increase in importance over the next strategy period.

CPAB encourages the IESBA to prioritize a post-implementation review of non-assurance services and related fee provisions, with a focus on:

Whether existing safeguards remain effective in preserving independence and objectivity.

How evolving firm structures and business models may require updates to standards or additional guidance.

## **10. Member Bodies or Other Professional Accountancy Organizations**

### **CPA Australia**

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

D.4 Growth of non-assurance service lines:

A long-standing issue largely addressed through independence requirements and jurisdictional regulation therefore, SSBs should avoid duplicating/contradicting local regimes. For the IAASB, no direct standard-setting response is indicated. For the IESBA, continue to rely on the Code's principles-based independence framework and use PIRs/implementation feedback to identify whether any narrow clarifications are needed; broader policy questions about service restrictions belong to regulators.

**15.10. No specific response**

**01. Monitoring Group**

International Federation of Independent Audit Regulators (IFIAR)

**02. Users of Financial or Non-Financial Information**

First Nations Financial Management Board

Sarasin & Partners

**05. Regulators and Oversight Authorities**

Committee of European Auditing Oversight Bodies (CEAOB)

Irish Auditing & Accounting Supervisory Authority (IAASA)

Public Accountants and Auditors Board Zimbabwe (PAABZ)

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