

Mr. Tom Seidenstein
Chair of IAASB and Co-CEO of
International Foundation for Ethics
and Audit

Ms. Gabriela Figueiredo Dias
Chair of IESBA and Co-CEO of
International Foundation for Ethics
and Audit

Submitted by email

Subject: Accountancy Europe accompanying letter to IAASB and IESBA joint stakeholder survey

Dear Mr. Seidenstein, dear Ms. Dias,

Accountancy Europe welcomes the opportunity to provide input to the joint IAASB–IESBA survey. In addition to our survey response, we would like to highlight a number of key observations that we believe are critical to the development of your future strategies and work plans.

First, we support a joint strategy consultation by IAASB and IESBA, as coordination and collaboration between the two Standard Setting Boards (SSB) is very important and should continue to be strengthened. However, our views on matters relating to the IAASB and IESBA often differ. While we have tried to reflect this in our response to the questions, the survey format, particularly the rating system, does not allow for a clear distinction. This made the rating exercise more complex and limited our ability to provide meaningful and differentiated feedback.

Please note that our assumption of rating each topic is related to the need for standard-setting activities only and not the importance of the topic more broadly.

Second, there is a clear need for both SSBs to strengthen their engagement with the profession and give significantly greater weight to what works in practice. The profession is the primary user of your standards and is ultimately responsible for their implementation. However, there is an increasing perception that practical challenges and operational realities are not sufficiently reflected in standard-setting outcomes. This misalignment can reduce the effectiveness, usability and adoption of standards.

In addition, there is a need for a clear shift in focus from developing new standards to ensuring effective implementation and adoption of existing ones or revising existing ones that are not operable in practice. Across both auditing and ethics, the volume and complexity of standards have increased significantly in recent years. This is creating challenges in terms of usability, proportionality and consistent application, particularly for smaller and less complex entities. This also creates challenges for the implementation and adoption by standard setters in different jurisdictions.

In this context, we strongly encourage both SSBs to prioritise post-implementation reviews of recent changes. This should include assessing whether standards are achieving their intended objectives in practice and identifying areas where complexity, lack of clarity or operational challenges may reduce

their effectiveness. Such reviews should also assess the quality of the standards themselves as final products and identify what changes are needed to ensure they are fit for purpose, usable in practice and adoptable across firms. Importantly, post-implementation reviews should focus on addressing practical issues and improving operability, rather than introducing additional requirements.

With regard to IESBA Code of Ethics, we emphasise that a principles-based framework continues to be the best way to respond to the increasing pace of change. However, the Code is increasingly perceived as rules-based and overly detailed and lengthy. This appears to reflect a more reactive standard-setting approach, where responses to specific issues or regulatory developments in certain jurisdictions are translated into global requirements.

Finally, there is a need to ensure that standard-setting activities remain within the core mandates of the IAASB and IESBA. Recent developments suggest a tendency to expand into areas that are more appropriately addressed by regulators or policymakers. Greater prioritisation is needed to focus efforts on areas where standard setters can have the most meaningful impact.

Accountancy Europe remains committed to contributing constructively to the work of both Boards and would welcome continued dialogue on these matters. Please do not hesitate to contact our colleagues Hilde Blomme at hilde@accountancyeurope.eu and Endrin Bitraj at endrin@accountancyeurope.eu for further outreach.



Eelco van der Enden

Chief Executive

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