

IESBA Meeting Highlights and Decisions

June 2025

This summary of decisions of the International Ethics Standards Board for Accountants (IESBA) has been prepared for information purposes only. Except for documents approved for public exposure and issuance of final pronouncements, decisions reported on technical matters are tentative, reflect only the current status of discussions on projects, and may change after further deliberation by the IESBA.

The IESBA met in New York, USA on June 9-12, 2025. The video recording of the meeting is available on the IESBA [YouTube](#) channel.

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Trends in the External Reporting Ecosystem

Developments in European Union (EU) Capital Markets

The IESBA considered a presentation from Dr. Apostolos Thomadakis, Head of the Financial Markets and Institutions Unit at the Centre for European Policy Studies (CEPS), on recent developments in EU capital markets. Among other matters, the presentation focused on the evolution of the EU financial markets, the complex and fragmented capital markets landscape and legal and regulatory framework across the EU, the EU Sustainability Omnibus Directive, and broader trends towards deregulation. The IESBA discussed the implications of these developments for its strategic planning.

Forward Strategy and Work Plan

To inform potential adjustments to its forward strategy and work plan, the IESBA considered the key takeaways from the April 2025 IFAC-IESBA Global Summit in Paris, the May 2025 discussions with the Stakeholder Advisory Council (SAC) and the IESBA-Jurisdictional Standard Setters (JSS) liaison group, and outreach with other stakeholders in Q2 2025. Taking into account this feedback as well as its reflections on risks and opportunities relating to trends and developments in the external environment, the IESBA agreed to make some calibrated adjustments to its forward strategy and work plan for 2025-2026. These adjustments include a slowing down in the pace of standard-setting, with no significant new standards expected to be issued before 2027; a reinforcement of support for adoption and implementation (A&I) (including simplification initiatives); a greater focus on post-implementation reviews; and enhanced stakeholder engagement and communications.

Communications Strategy and SMART Framework

The IESBA considered a strategic presentation from the IESBA Communications Team on a proposed SMART framework — Simplification, Mobilization, Adoption, Responsiveness, and Targeted Action — to support the execution of its strategic work plan. The framework sets out an approach to enhance the effectiveness and impact of the IESBA's activities, taking on board discussions with stakeholders as well as reflections and analysis at Board level about the appropriate responses to the current challenges the IESBA faces.

The IESBA agreed to apply the SMART framework as a stakeholder-centric approach to enhance the clarity, impact and coherence of its activities.

Firm Culture & Governance

The IESBA considered a presentation from Mr. David Rodin, Founder and Chair of Principia, and Mr. Clive Garfield, Principia's Chief Executive Officer, on building and measuring ethical culture, including tools and tests to assess actions, and steps towards ethical decision-making. The IESBA also considered highlights of key comments from the Firm Culture & Governance (FCG) global roundtables and other stakeholder outreach in Q2 2025, as well as updates on coordination with the International Auditing and Assurance Standards Board (IAASB).

The IESBA supported the Project Team's proposed revised strategic approach to the project, aligned with the IESBA's revised overall forward strategy for 2025-2026. This revised approach includes a re-sequencing of the standard-setting and non-authoritative material (NAM) work streams, with a focus on the development of NAM and other supporting materials over the next 18 to 24 months whilst continuing to explore the best approach to the FCG framework.

As part of the re-sequencing, the IESBA agreed to develop a series of viewpoints on the eight elements of the FCG framework identified in the project proposal. Informed by further engagement with stakeholders on the proposed viewpoints from Q4 2025, the IESBA will consider the approach to the FCG framework at its June 2026 meeting.

The IESBA will consider a first draft of the viewpoints and the Project Team's draft plan on the development of NAM and other supporting materials and initiatives at its September 2025 meeting.

Adoption and Implementation

Adoption & Implementation Working Group (A&I WG) Update

The IESBA considered an update from the A&I WG on its activities since the March 2025 meeting, including ongoing coordination with the International Federation of Accountants (IFAC) and the IAASB, continued outreach with key stakeholders including the International Sustainability Standards Board (ISSB) and the International Accreditation Forum (IAF), and the development of additional planned implementation materials.

The A&I WG outlined its updated jurisdictional prioritization and strategic plans to focus A&I efforts, including developing jurisdictional profiles. The IESBA considered progress updates on a number of priority jurisdictions, including developments with respect to the adoption of the IESBA Sustainability and Experts Standards in Australia, Brazil, South Africa, and the United Kingdom. The IESBA also discussed status updates in other jurisdictions and additional suggestions for the A&I WG to consider for potential prioritization.

The IESBA will receive a further update from the A&I WG at its September 2025 meeting.

IESSA Implementation Monitoring Advisory Group (IIMAG) Update

The IESBA considered an update from the A&I WG on the status of the recruitment process for the IIMAG, which will be chaired by an IESBA Board member. The IESBA noted that 9 IIMAG members have been recruited to date, with an additional three seats to be filled in the near future.

The IESBA will receive an update on the IIMAG's inaugural meeting in Q3 2025 at the IESBA's September 2025 meeting

PIE Rollout

The IESBA considered an update from the IAASB Program & Technical Director, Willie Botha, on Track 2 of the IAASB's Listed Entity and Public Interest Entity project ([IAASB PIE Project](#)), including highlights of the relevant feedback from respondents to its [Post-Exposure Consultation: Invitation to Comment Before the IAASB Finalizes the Narrow Scope Amendments to the ISQMs and ISAs as a Result of the Revisions to the Definitions of Listed Entity and Public Interest Entity in the IESBA Code](#) (ITC). IESBA members expressed support for further coordination between the two Boards when the IESBA commences its post-implementation review of the PIE definition and related provisions in the Code, due to begin in 2027.

The IAASB approved the narrow scope amendments under Track 2 of its PIE project at [its June 2025 meeting](#).

Technology

The IESBA considered an update from the Technology Working Group (TWG) on recent developments. The update included key insights from the SAC and IESBA-JSS meetings held in May 2025. The discussions emphasized the growing role of artificial intelligence (AI) in the profession, including related ethical challenges such as automation bias and overreliance on AI.

The IESBA also received an introduction to a proposed IESBA Chatbot, a Microsoft Copilot-based tool designed to support users in navigating the IESBA Code.

The IESBA will receive a further update from the TWG at its September 2025 meeting

Private Equity Investments in Firms

The IESBA discussed a draft IESBA Staff Alert that highlights key ethics and independence considerations arising from private equity investment in accounting firms.

IESBA members expressed broad support for the initiative and provided feedback on the scope of, approach to, and matters addressed in, the document.

IESBA Staff will circulate a revised draft of the document for the IESBA's further input with the aim of finalizing the document for release by the end of July 2025.

Next Meeting

The next IESBA meeting is scheduled for September 15-19, 2025 in Lisbon, Portugal.