



IESBA

International Ethics Standards Board for Accountants
AN IFEA BOARD

IESBA Update

APESB Board Meeting

March 26, 2026

Sydney

Gabriela Figueiredo Dias, IESBA Chair



Agenda

- IESBA Views on Risks and Trends
- March 2026 IESBA Meeting
- Private Equity Investment in Accounting Firms
- Technology
- Sustainability – Adoption & Implementation
- Other Ongoing IESBA Projects and Workstreams

IESBA Views on Risks and Trends

Global Trends: from Disruption to Structural Shift

RISK AND TRENDS 2026

- **Risk priorities shift**
Geopolitics, technology, and economic pressures take precedence over climate
- **Fragmentation becomes structural**
Multipolarity and regulatory divergence are becoming entrenched
- **AI becomes a governance issue**
Focus shifts from productivity to accountability, oversight, and risk
- **Systemic financial pressures builds**
Rising risks of lower growth, higher inflation, and market corrections

Key Risks and Opportunities for IESBA and the Profession

RISKS AND TRENDS 2026 (FROM IESBA'S R&T SURVEY AND CONCLUSIONS)

RISKS

- **Geopolitics:** Regulatory fragmentation and over-deregulation
- **AI governance gap:** Technology adoption outpaces governance and oversight
- **Implementation gap:** Standards adopted without effective uptake
- **Sustainability fatigue:** Reduced momentum and uneven adoption

OPPORTUNITIES

- **Ethics as a global baseline:** Ethics and independence as a convergence, stability and trust anchor
- **AI ethics leadership:** Contribute to the AI governance ecosystem through strong ethical guidance
- **Simplification:** Enhance the usability and accessibility of the Code
- **Ethics in risk & governance:** Embed ethics in management and governance frameworks and strategies

March 2026 IESBA Meeting

March 2026 IESBA Meeting

KEY DECISIONS



NEW WORKSTREAM: PRIVATE EQUITY INVESTMENT IN ACCOUNTING FIRMS

ACTION PLAN FOR TECHNOLOGY

ENHANCED FOCUS ON SUSTAINABILITY ADOPTION & IMPLEMENTATION

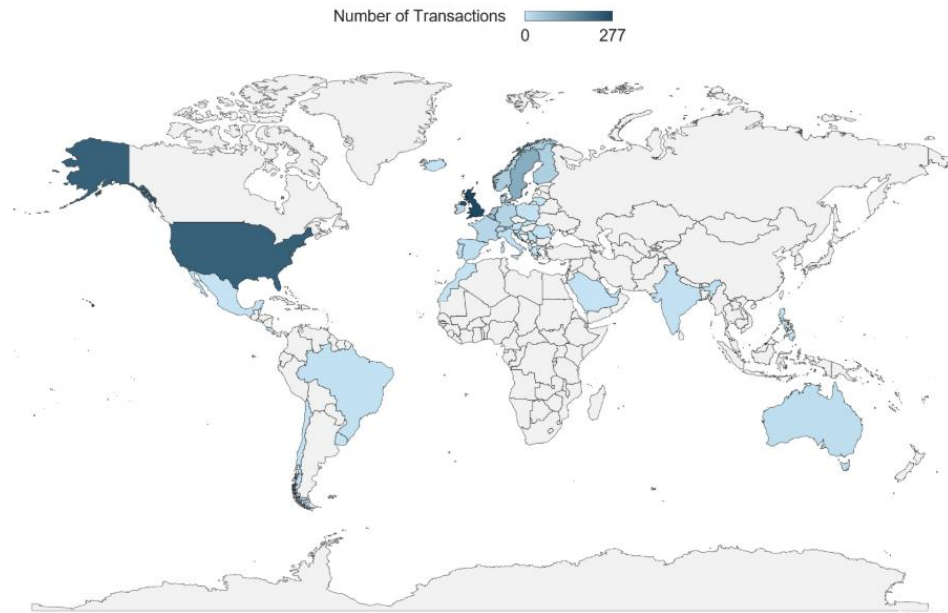
Private Equity Investment in Accounting Firms (PEI)

Growth in PEI Has Been Rapid, Significant and Global

IFAC RESEARCH

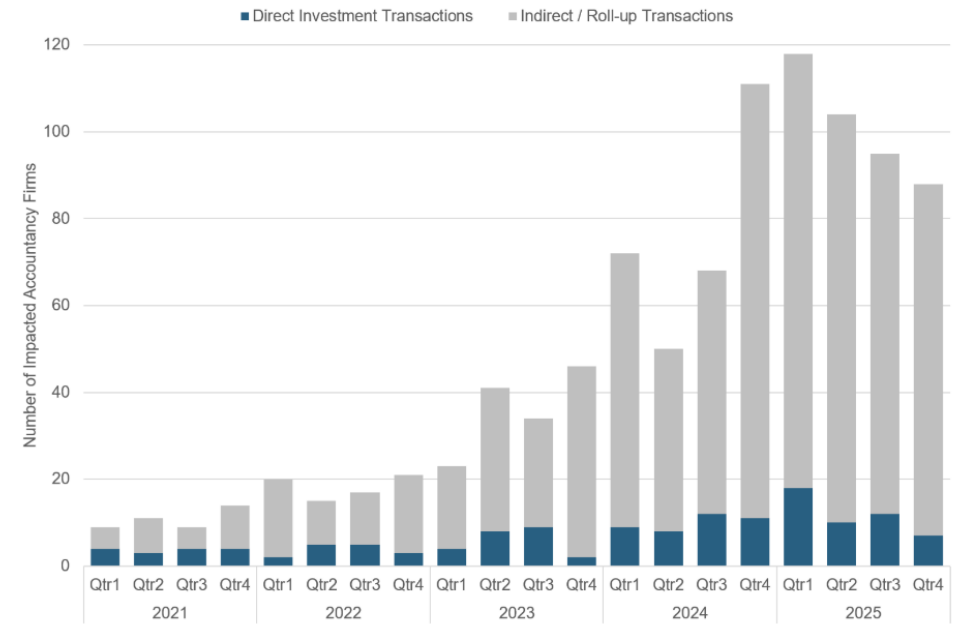
Since 2022, increasing number of accounting firms have engaged in equity capital transactions with private equity investors

WHERE PE INVESTMENT IS TAKING PLACE



Data as of December 31, 2025.

PE TRANSACTION VOLUME



Data as of December 31, 2025.

Significant Number of Regulatory, Standard-Setting and Other Developments Globally

Standard-Setting Activity

- National Association of State Boards of Accountancy (NASBA) White Paper [2025]
- American Institute of Certified Professional Accountants (AICPA) Exposure Draft [December 2025]

Regulatory Responses, e.g.

- Financial Reporting Council (FRC) [2024]
- International Forum of Independent Audit Regulators (IFIAR) [2024]
- Netherlands Authority for the Financial Markets (AFM) [2025]
- Wirtschaftsprüferkammer (WPK) [2025]
- International Organization of Securities Commissions (IOSCO) [2026]
- Dubai Financial Services Authority (DFSA)

Public Statements

- United States Securities and Exchange Commission (US SEC) [2022]
- Public Company Accounting Oversight board (PCAOB) [2025]

IESBA Responds to PEI Developments

JULY 2025 IESBA STAFF ALERT

IESBA STAFF ALERT
JULY 2025

**PRIVATE EQUITY INVESTMENT IN ACCOUNTING FIRMS:
KEY ETHICS AND INDEPENDENCE CONSIDERATIONS**

This publication has been prepared by the Staff of the [International Ethics Standards Board for Accountants](#) (IESBA). It highlights a number of important ethics and independence considerations for professional accountants (PAs) in public practice (PAPPs), especially leadership of accounting firms, under the *International Code of Ethics for Professional Accountants (Including International Independence Standards)* (the Code¹) as they consider investment from private equity organizations and after they accept such investment.


This publication may also be of interest to regulators and audit oversight bodies, jurisdictional standard setters (JSS), private equity and other investors, professional accountancy organizations (PAOs), and others with an interest or role in the work of accounting firms, including audit.

This publication does not amend or override the Code, the text of which alone is authoritative. Reading this publication is not a substitute for reading the Code. The guidance in the publication is not meant to be exhaustive and reference to the Code should always be made. This publication does not constitute an authoritative or official pronouncement of the IESBA.

Topics Discussed in the Publication

- Trend towards PE investment in accounting firms
- Considering PE investment: Key ethical considerations
 - Compliance with the fundamental principles
 - Ethical culture of the firm
 - Pressure to breach the fundamental principles
- Considering PE investment: Key independence considerations
 - Potential enlargement of the firm's boundaries
 - Identifying network firms
 - Identifying potential additions to the audit or assurance team
 - Other independence considerations
- Post-investment: Key ethical and independence considerations

¹ References to the Code in this publication are to the 2024 version of the Code incorporating approved pronouncements effective in December 2026, i.e., [Tax Planning and Related Services](#) (June 2025) and [Using the Work of an External Expert](#) (December 2026), except where otherwise stated.

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The Staff Alert outlines, among other matters:

- Risks to compliance with the fundamental principles, including undue pressure and conflicts of interest
- Independence implications (e.g., changes to firm boundaries, network firm considerations or financial interests)
- Potential impact of PEI on firm culture and governance
- Ongoing considerations post-investment

IESBA Responds to PEI Developments

- IESBA decision **March 2026**: Prioritize information-gathering workstream and ethics and independence issues analysis to determine need for a standard-setting project or other initiatives

Potential matters to consider from a Code perspective include:

- Whether definitions of “firm”, “network” and “network firms” remain fit-for-purpose
- Whether definitions of “audit/assurance team” cover all individuals in PEI structure who can directly influence outcome of the engagement
- Whether conceptual framework guidance is sufficiently clear and specific to address all the threats that might be created in PEI
- Special considerations re impact of PEI on firm culture and governance?

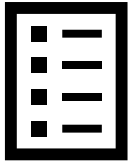


Technology

IESBA Approves Action Plan on Technology

KEY DELIVERABLES PLANNED FOR 2026

Ongoing coordination with the IAASB on respective technology workstreams



Overarching non-authoritative material

Applying the IESBA Code to emerging technologies (Q3)



Dedicated non-authoritative material focused on Artificial Intelligence

Key ethics and independence considerations (Q4)

To be developed in consultation with the IESBA Technology Experts Group



IESBA Podcast: Decoding Ethics – Building Trust in a Tech-driven World

Monthly Podcast

Several IESBA Non-Authoritative Materials Already Available

EXISTING NON-AUTHORITATIVE MATERIALS (TO BE UPDATED AS APPROPRIATE)

Materials developed prior to recent technology-related revisions and evolving market developments

Applying the Code in Technology-Related Scenarios

- [Applying The Code's Conceptual Framework To Independence: Practical Guidance for Auditors In Technology-related Scenarios](#) (IESBA, APESB)
- [Ethical Leadership In A Digital Era: Applying The IESBA Code To Selected Technology-Related Scenarios](#) (IESBA, JICPA)

Explainers and Focused Overviews

- [Exploring the IESBA Code: A Focus on Technology](#) (IFAC, IESBA)
- [Exploring the IESBA Code: Focus on Technology - Artificial Intelligence](#) (IFAC, IESBA)

Thought Leadership: Ethical Leadership & Technology Series

[Ethical Leadership in an Era of Complexity and Digital Change: Exploratory Paper](#)
(CPA Canada, ICAS, IFAC, IESBA)

- [Paper 1: Ethical Leadership in an Era of Complexity and Digital Change](#)
- [Paper 2: Technology is a double-edged sword with opportunities and challenges for the accountancy profession](#)
- [Paper 3: Identifying Mitigating Bias and Mis- and Dis-information](#)
- [Paper 4: Mindset and enabling skills of professional accountants](#)

Sustainability – Adoption & Implementation

2026 Enhanced Focus on Adoption & Implementation



IFAC Support on A&I Crucial to Success:

- IESBA-IFAC A&I coordination
- IFAC's SMO program



A&I WG 2026 Campaign:

- Partnership Framework to Promote A&I
- Jurisdictional Profiles and Outreach



IIMAG:

- 6 of 11 members from FoF firms
- Quarterly meetings
- FAQs under development



Other Planned Implementation Materials:

- Sustainability reporting case studies
- Investor and TCWG Guides



IESSA – Global Adoption Status



Adopted	Adoption in Progress	Under Consideration		
Australia	Brazil	Botswana*	Myanmar	Zambia*
Hong Kong SAR	Bulgaria	Croatia	Namibia*	
Malaysia	India	Ethiopia	Nepal	
New Zealand	Japan	Finland	Netherlands	
Pakistan	Kenya	Germany	Norway	
South Africa	Nigeria	Ghana	Qatar	
United Kingdom	Singapore	Indonesia	Rwanda*	
	Sweden	Italy	Saudi Arabia	
	Uganda	Korea (Rep.)	Sri Lanka	
	Zimbabwe	Lesotho*	UAE	

* Pending confirmation March 31

Other Ongoing IESBA Projects and Workstreams

Other IESBA Projects and Workstreams

CURRENT ACTIVITIES AND TIMELINES

Accounting Firm Culture and Governance (FCG)

FCG DIALOGUES (JAN -> JUN 2026)

Socializing Viewpoints through targeted outreach:

- Focus groups (GPPC, SMPs, Regulators) & Investors
- Institutional meetings (FoF, IOSCO, IFIAR, SAC, JSS, etc.)
- Meetings with leadership of firms and other stakeholders
- 2 simulation exercises (1 big firm + 1 medium firm in different regions)
 - Bilateral meetings with PAOs, Regulators, Firms and Investors
 - FCG Newsletter



June 2026: Decision re FCG framework

Other IESBA Projects and Workstreams

CURRENT ACTIVITIES AND TIMELINES

Role of CFOs

- Information gathering through global outreach & surveys
- Academic research / literature review
- **September 2026:** Final report & recommendations

Post-implementation reviews

– Restructured Code

– NOCLAR

- Information gathering through surveys and targeted outreach
- **December 2026:** Final report & recommendations for Restructured Code
- **March 2027:** Final report & recommendations for NOCLAR

Equivalent Part 4B for Sustainability

- Information gathering through targeted outreach
- **June 2026:** Final report & recommendations

Other IESBA Projects and Workstreams

MILESTONES

SMART

- Simplification, **M**obilization, **A**doption, **R**esponsiveness, **T**argeted outreach
- A framework being embedded in all projects/initiatives
- Quality and accountability instrument

Strategy and Work Plan 2028-2031

- Information gathering through joint IESBA-IAASB survey
- **September 2026:** Review of responses to joint survey & first read of draft IESBA SWP consultation paper

CIVs and Pension Funds – Auditor Independence

- December 2025 IESBA decision: development of NAM
- Timeline TBD depending on available resources

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