

The IESBA Ethics & Independence Conference 2025

Intervenção do Ministro de Estado e das Finanças

15 de setembro de 2025

**“Ethical Conduct and Information Quality in Accounting and
Auditing: Safeguarding Market Confidence”**

*Dear Chair of the International Ethics Standards Board for Accountants
(IESBA), Mrs. Gabriela Dias Figueiredo*

Dear Dean of ISEG, Professor João Duque

Dear President of OCC, Mrs. Paula Franco

Dear Presidente of OROC, Mr. Virgílio Macedo

Ladies and Gentlemen,

I begin by thanking the International Ethics Standards Board for Accountants for choosing Lisbon as the venue for this conference on “*Ethics and Audit Independence: Pillars of Resilience and Competitiveness in Turbulent Times*”. It offers us a valuable opportunity to reflect on the essential role that high-quality financial information and a strong commitment to ethical standards play in safeguarding the legitimacy and credibility of the accounting and auditing professions, while also supporting the sound functioning of our economies and capital markets.



History, both internationally and here in Portugal, provides us sobering lessons on the cost of ethical failures. The collapses of Enron or Lehman Brothers showed how distorted reporting and weak auditing can have devastating consequences. Portugal also faced its own episodes with national banking institutions. These cases make clear that when ethics and oversight fail—whether in the United States, Italy, or Portugal— the consequences are not confined to individual firms but ripple across entire economies and societies. Trust is, indeed, the most valuable asset we have and, once lost, is costly to restore, which is why ethical conduct in accounting and auditing is indispensable everywhere.

This is also why global frameworks, such as those of the International Ethics Standards Board for Accountants, are essential. They establish core principles, such as integrity, objectivity, competence, independence, confidentiality, and professional conduct, that help guide both accountants and auditors. These are not optional virtues. They are professional obligations that safeguard decision-making in environments where pressure and complexity are constant.

The quality of the information that accountants prepare, and auditors verify, is vital for the health of our economies and markets. Reliable financial and non-financial reporting enables investors to allocate resources efficiently, allows businesses to access capital at fair costs, and facilitates adequate supervision by regulators. When information is distorted or presented without integrity, the damage is systemic: capital is misallocated, risks are mispriced, bubbles emerge, and crises follow. By adhering to ethical standards, accountants and auditors act as custodians of transparency and guardians of confidence.



Academic work on ethics in accounting¹ has long stressed that the profession's responsibilities extend well beyond the immediate interests of clients. Built on the idea of social obligation, this perspective underlines that professional conduct has implications for society as a whole: the information accountants and auditors handle affects investors, regulators, employees, and citizens alike. In this sense, their duty is not only technical but also moral: to ensure that reporting remains reliable in ways that protect the public interest and preserve confidence in institutions.

This ethical dimension is particularly evident, for example, in the area of taxation. Accountants are the first line of supervision over the proper collection of taxes. They are the professionals who ensure that companies respect the legal framework, that revenues and expenses are recorded correctly, and that tax obligations are met in due time and in the right amount.

Auditing carries the same responsibility, if not more. While accountants prepare the information, auditors stand as independent guardians of its credibility. Their task is to provide reasonable assurance that financial statements give a true and fair view. This assurance serves not only management or shareholders but the entire financial system, reinforcing stability and trust.

Responsibility, however, does not rest solely with accountants and auditors. Banks, insurers, asset managers, and regulators all share the duty to uphold ethical standards. The financial system is deeply

¹ **Flory, S. M., Phillips, T. J., Reidenbach, R. E., Robin, D. P. (1992).** A Multidimensional-Analysis of Selected Ethical Issues in Accounting. *Accounting Review*, 67(2), 284-302.
Available at: https://aquila.usm.edu/fac_pubs/8210

interconnected, and a failure in one part can quickly spread across borders. Ethical conduct across the system functions as a form of preventive regulation, strengthening resilience and reinforcing trust.

For ethics to remain meaningful, education and reinforcement are essential. Ethical awareness can be taught and strengthened throughout careers. Universities, professional bodies, and firms must integrate ethics not as a stand-alone module but as a theme woven through technical training, practical experience, and continuing professional development. Again, the work of the International Ethics Standards Board for Accountants is particularly relevant, as its Code of Ethics provides a global benchmark that serves as a reference point for professional education and ongoing training.

Looking ahead, the challenges of the future will test our commitment to ethics even further. Digital transformation, artificial intelligence, and the growing emphasis on non-financial reporting - particularly sustainability and ESG disclosures - create new dilemmas for accountants and auditors. In this evolving landscape, the quality of information produced by accountants and assured by auditors will be decisive: it must remain accurate, transparent, and decision-useful despite the complexity of new data sources and reporting frameworks.

Upholding ethical standards will be even more critical as we navigate these frontiers, ensuring that innovation enhances rather than undermines trust.

Thank you.