

The IESBA-Jurisdictional Standard Setters (JSS) Liaison Group Statement of Purpose

Introduction

The IESBA-JSS liaison group acknowledges that coordination and collaboration are beneficial to furthering their common public interest goals of promulgating high quality international ethics (including independence) standards for professional accountants¹ and sustainability assurance practitioners². Coordination and collaboration also help facilitate global adoption of, or convergence with, the IESBA's *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code).

High quality ethics (including independence) standards that are adopted or converged globally and implemented effectively strengthen ethical behavior in business and organizations, and underpin public trust in financial and non-financial information that is fundamental to the proper functioning and sustainability of organizations, financial markets and economies worldwide.

To this end, the IESBA-JSS liaison relationship provides a platform for multi-lateral strategic engagement and project or other activity-level coordination and collaboration.

1 As defined in the IESBA Code, professional accountants are individuals who are members of an IFAC member body.

2 As defined in the IESBA Code, sustainability assurance practitioners are individuals conducting a sustainability assurance engagement (usually the engagement leader or other members of the engagement team, or, as applicable, the firm).

A. IESBA-JSS Strategic Purpose

The IESBA-JSS liaison group's strategic purpose is:

- (a) To exchange insights and perspectives on key strategic matters relevant to global ethics and independence standard-setting for professional accountants and sustainability assurance practitioners; and
- (b) To address common challenges, in the public interest, through effective and timely coordination and collaboration between the IESBA and the JSS, and among JSS.

B. Objectives

The IESBA-JSS liaison group aims to:

1. **Identify Opportunities for Coordination or Collaboration Relevant to the Lifecycle of IESBA Activities:** Focus on projects or activities where the IESBA and JSS can coordinate or collaborate because of broad global interest and common stakeholder needs. The lifecycle of IESBA activities³ provides an appropriate basis for pursuing IESBA and JSS coordination and collaboration opportunities, including the timely sharing of information and views about, among other matters, convergence and implementation challenges. Where topics, activities or other matters of interest to the IESBA-JSS liaison group are also common to the IAASB-JSS liaison group, coordinate with the IAASB-JSS liaison group timely and as needed.
2. **Exchange Insights and Ideas:** Regularly exchange insights, perspectives, and ideas, leveraging research and outreach as a datapoint relevant to the IESBA's standard-setting and related activities.
3. **Promote the Adoption of, or Convergence with,⁴ the IESBA Code:** Develop strategies that promote the adoption of, or convergence with, the IESBA Code, while recognizing the factors driving the need for jurisdictions to develop their own standard-setting solutions and the importance of reducing fragmentation of standards across jurisdictions.
4. **Support the Effective Implementation of the IESBA Code:** Develop strategies to identify and address areas where implementation support is needed. Coordinate or collaborate in undertaking implementation support activities, including outreach and other stakeholder engagement to identify implementation successes and challenges.
5. **Leverage or Raise Awareness of JSS' Work:** Identify specific areas where one or more JSS can lead IESBA-JSS workstreams, or share resources developed with others, to minimize duplication of effort and fragmented or inconsistent solutions. Additionally, identify where the IESBA can, without undermining its independence, leverage or raise awareness of specific work and resources of JSS to better enable the IESBA to focus on its core competencies and priorities.

³ The typical IESBA lifecycle of activities includes recurring work such as developing its strategy and work plan and outreach, as well as the lifecycle of a standard-setting project, which includes information gathering, developing a new or revised standard, supporting the adoption and effective implementation of a standard (e.g., commissioning or facilitating the development of non-authoritative guidance materials), and ongoing monitoring of stakeholder needs (including performing post-implementation reviews).

⁴ It is recognized that the focus and objective of a JSS generally depends on the mandate it has in the jurisdiction and the resources it has available. It is further recognized that different JSS are at different stages of adopting or converging with the IESBA Code.

C. Accompanying Items

Appendix 1: Criteria for JSS to Participate in the IESBA-JSS Liaison Group

Appendix 2 IESBA-JSS Engagement Model

APPENDIX 1

CRITERIA FOR JSS TO PARTICIPATE IN THE IESBA-JSS LIAISON GROUP

A “jurisdictional standard setter” (JSS) refers to a body at the jurisdictional or national level (a local body) with ethics standard-setting authority, i.e., that is authorized or recognized to develop ethics (including independence) standards for professional accountants or sustainability assurance practitioners. A JSS may also have other functions, for example, auditing or assurance oversight.

The IESBA-JSS liaison group comprises IESBA leadership and staff, and JSS that, in the IESBA’s assessment:

1. Meet at least two of the following criteria:
 - Are significantly active in the development of jurisdictional ethics (including independence) standards for professional accountants or sustainability assurance practitioners, or by way of contributing to the development of the IESBA Code.
 - Have adopted or plan to adopt the IESBA Code, as applicable, or are demonstrably committed towards the achievement of convergence of international and jurisdictional ethics (including independence) standards.
 - Represent the world’s largest economies or have significant regional influence.
2. Are sufficiently resourced to participate actively in coordination and collaboration efforts identified through the activities of the IESBA-JSS Liaison Group as contemplated in this Statement of Purpose and the IESBA-JSS Engagement Model (see Appendix 2).

APPENDIX 2

IESBA-JSS ENGAGEMENT MODEL

To achieve the IESBA-JSS Strategic Purpose and Objectives, coordination or collaboration between the IESBA and JSS may focus on the activities within the lifecycles of the IESBA's strategy and work plan, standard-setting projects or non-authoritative materials (NAM). The following diagram depicts the activities that are common to each of these three lifecycles:

Common Activities Within the Lifecycles of the IESBA



The activities that are common to each of the lifecycles of the IESBA can be summarized as follows:

1. **Information Gathering**, which is aimed at informing strategic thinking and strategy development, potential work plan decisions and supporting future work of the IESBA by assisting the IESBA in identifying emerging areas that may require focus, determining future work activities and scoping standard-setting projects and other workstreams.

2. **Development of Publications**, including strategic materials (such as the strategy and work plan), new or revised standards, and NAM. The IESBA's Strategy and Work Plan and revisions to the IESBA Code are developed in accordance with the Due Process and Public Interest Framework (PIF) Operating Procedures of the Standard-Setting Boards (SSBs, i.e., the IESBA and IAASB).⁵

NAM is part of the IESBA's activities to support implementation of the IESBA Code. NAM (or other supporting materials or initiatives such as global webinars, videos, podcasts, etc.) may be commissioned by the IESBA, or the IESBA may facilitate and support action by others, which may include coordinating or collaborating with JSS for the development of specific materials or resources.

3. **Adoption and Implementation**, which encompasses actions that differ across the three IESBA lifecycles, including execution of the Strategy and Work Plan, adoption and implementation support for the IESBA Code, and awareness raising for NAM.

Wide adoption and effective implementation of the IESBA Code reduce the risk of fragmentation and proliferation of ethics (including independence) standards, and support consistent application and practice, which is in the public interest. Awareness about, and the use of, NAM facilitate the effective implementation and consistent application of the IESBA Code. NAM can be used for education or training, and development of other materials.

4. **Ongoing Monitoring** of stakeholder needs is essential to ensure relevant and timely action to support the ongoing relevance and credibility of the IESBA's standard-setting and related activities. Ongoing monitoring includes engaging with stakeholders as part of the IESBA's general outreach program and project- or workstream-specific outreach activities, as well as undertaking formal post-implementation reviews of standards. Such monitoring completes the lifecycle by feeding back into information-gathering activities.

The Context for, and Nature of, JSS Involvement

JSS understand the structure and practical dynamics of their local accounting, auditing and assurance profession, the relevant professional standards, and the implementation of those standards. They are directly involved with or influence local policy, processes, and activities of professional accountants or sustainability assurance practitioners. In addition, JSS have strong technical expertise internally or can access such expertise.

JSS ordinarily have significant reach across stakeholders in the external reporting ecosystem in their jurisdictions. Leveraging this reach could have many benefits in the early identification and understanding of issues relevant to international standards and their application, in soliciting input that could be channeled to the IESBA (and shared among JSS), advocating for the adoption and implementation of international standards and facilitating IESBA outreach activities. Of particular relevance is the proximity of JSS to stakeholder groups at the local level, such as users of financial statements and other external reports, and preparers and those charged with governance, who often are underrepresented when seeking comments or feedback on standard-setting and related activities.

In the above context, the common activities within the lifecycles of the IESBA provide an appropriate basis for IESBA-JSS coordination and collaboration, by:

⁵ The SSB's Integrated Due Process and PIF Operating Procedures, accepted by the PIOB in April 2025, is available on the [IESBA website](#) (see "Due Process" under Quick Links).

- Allowing the IESBA to identify whether and, if so, when and how JSS can be involved with such activities, with each JSS participating according to its capabilities and interest; and
- Enabling JSS to input and contribute to the various activities related to those lifecycles, depending on each JSS's priorities and capacity to allocate resources.

Also, through coordination and collaboration among JSS, JSS are able to leverage the benefits of shared knowledge and experience, including collective action.

The following are examples of JSS involvement that may be applicable to each of the lifecycles of the IESBA (strategy and work plan, standard-setting projects and NAM) and the activities common to each (information gathering, development of publications, adoption and implementation, and ongoing monitoring):

- **Raising awareness** of the IESBA's actions in JSS jurisdictions. JSS engagement with relevant stakeholders in their jurisdictions to raise awareness of the IESBA publications and consultations or other requests for information. Also, aligning activities for standard setting or adoption with the timing of IESBA projects and engaging with policymakers and regulators at the jurisdictional level to promote the adoption of, or conformity with, new or revised standards.
- **Adopting and adapting.** Adopting, and translating if applicable, revisions to the IESBA Code or convergent standards. Sharing, and translating if applicable, NAM and other resources within jurisdictions, including adapting guidance to encompass jurisdictional requirements or developing educational materials to support implementation in a jurisdiction.
- **Responding to IESBA requests for information**, for example, as input to specific information gathering being undertaken (e.g., for a standard-setting project or NAM), to submit information for annual or other IESBA-JSS meetings, or in advance of a deep-dive session on a particular topic. Responding to IESBA public consultations, for example, exposure drafts, discussion papers, consultation papers, and surveys.
- **Hosting or facilitating outreach activities**, including holding roundtables or arranging other discussion fora. This may include a specific focus on stakeholder groups at the local level, which often are underrepresented when seeking comments or feedback on standard-setting and related activities (as discussed above).
- **Research or information-gathering activities.** Conducting research or gathering information from stakeholders through surveys, interviews, focus groups or other outreach activities in JSS jurisdictions or across jurisdictions. This may also include undertaking more rigorous quantitative and empirical research that is of interest to a range of jurisdictions and the IESBA, which may include where a JSS may have "gone first" in relation to a topic. Such research or information gathering may be at the instigation of the IESBA, or one or more JSS. The IESBA may also benefit from JSS sharing the results of related own research undertaken or facilitating access and providing additional insight into, for example, existing JSS guidance, thematic reviews and other resources.
- **Monitoring of, and possible actions to address, implementation challenges.** JSS providing feedback on implementation challenges, including as an "early warning" mechanism to the IESBA. This may include identifying, collating and sharing implementation challenges experienced at the jurisdictional level (issues, root causes and recommendations for possible actions). JSS can also benefit from sharing among themselves their convergence and implementation learnings. Outreach

activities in JSS jurisdictions may also be utilized as a mechanism to monitor implementation of standards or to provide feedback related to NAM.

- **JSS NAM and other materials.** JSS identifying, recommending or developing and sharing NAM and educational materials with the IESBA or other JSS. The IESBA can consider whether and how best to leverage or raise awareness of such resources of JSS.
- **Staff or other resources to contribute to IESBA activities.** For standard-setting projects or NAM, the IESBA may approach JSS, or JSS may volunteer, to assist by providing staff or other resources (e.g., secondment or co-sourcing of JSS staff or funding), or for a JSS(s) leading the development work for the IESBA with support and oversight by IESBA staff (including, as appropriate, Board members). For NAM, collaboration also could include JSS developing materials under the auspices of the IESBA.
- **Joint standard-setting projects.** The SSB Due Process and PIF Operating Procedures (see footnote 5) contemplate the possibility of joint projects (see paragraph A15).⁶ This refers to a standard-setting project on a particular topic or subject matter that is undertaken simultaneously or in parallel at the global level and the jurisdictional level, and could also include, where practicable, on a multi-national basis whereby two or more JSS or national organizations are involved in the joint project. The international standard and jurisdictional standard would progress through the normal stages of a project, i.e., project proposal, exposure draft and final standard. The final standard approved by the IESBA becomes a final international pronouncement in the normal way. It may differ from the corresponding document(s), if any, approved by the collaborating JSS(s).

⁶ Joint projects are subject to the due process of the IESBA. If exposed separately both internationally and by JSS(s), and where applicable, the IESBA may additionally have regard to comments received by the JSS(s), where relevant internationally, and to the extent the process does not result in unnecessary delay in the finalization of the IESBA pronouncement.

This document was prepared by the Staff of the [International Ethics Standards Board for Accountants®](#) (IESBA®) in collaboration with representatives of the JSS.

About IESBA

The IESBA is an independent global standard-setting board. The IESBA's mission is to serve the public interest by setting high-quality, international ethics (including independence) standards as a cornerstone to ethical behavior in business and organizations and to public trust in financial and non-financial information that is fundamental to the proper functioning and sustainability of organizations, financial markets and economies worldwide.

Along with the [International Auditing and Assurance Standards Board®](#) (IAASB®), the IESBA is part of the [International Foundation for Ethics and Audit™](#) (IFEATM). The [Public Interest Oversight Board](#) (PIOB) oversees IESBA and IAASB activities and the public interest responsiveness of the standards.

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