

FINANCIAL REPORTING COUNCIL

MONTHLY UPDATES (December 2024 to March 2025) – What's new from the International Federation of Accountants (IFAC)

The main topics for discussion at the IFAC during the period from December 2024 to March 2025 were with respect to:

December 2024

- 1. KEY MILESTONES ACHIEVED AT IESBA'S DECEMBER MEETING**
- 2. ALMOST HALF OF TAXPAYERS DON'T SEE THEIR TAXES BEING SPENT FOR THE PUBLIC GOOD**
- 3. IFAC, IFRS FOUNDATION, IOSCO SHARE INSIGHTS TO ADVANCE CLIMATE & SUSTAINABILITY-RELATED REPORTING**
- 4. NEW GUIDANCE ADVANCES HIGH-QUALITY CORPORATE SUSTAINABILITY REPORTING AND ASSURANCE PREPAREDNESS**

January 2025

- 5. ENABLING A PROFESSION IN GLOBAL TRANSFORMATION: INSIGHTS FROM IFAC'S PAIB ADVISORY GROUP**
- 6. IESBA LAUNCHES STANDARD-SETTING PROJECT ON ACCOUNTING FIRM CULTURE AND GOVERNANCE**
- 7. IAASB AND IESBA UNVEIL NEW STANDARDS AND GUIDANCE TO STRENGTHEN SUSTAINABILITY REPORTING AND ASSURANCE**
- 8. IPSASB ISSUES AMENDMENTS RELATED TO SPECIFIC IFRIC INTERPRETATIONS**

February 2025

NONE

March 2025

- 9. JOINT STATEMENT FROM EELCO VAN DER ENDEN, ACCOUNTANCY EUROPE CEO AND LEE WHITE, CEO OF IFAC (INTERNATIONAL FEDERATION OF ACCOUNTANTS)**
- 10. IFAC ENHANCES INTERNATIONAL EDUCATION STANDARDS TO EQUIP PROFESSIONAL ACCOUNTANTS FOR SUSTAINABILITY REPORTING**
- 11. IAASB RELEASES COMPREHENSIVE IMPLEMENTATION GUIDE FOR THE ISA FOR LCE**

1. KEY MILESTONES ACHIEVED AT IESBA'S DECEMBER MEETING

The International Ethics Standards Board for Accountants (IESBA) took a major leap forward at its December 2024 meeting, approving two sets of standards that will underpin public trust in sustainability reporting and assurance:

- The **International Ethics Standards for Sustainability Assurance (IESSA)** and related revisions to the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the Code), setting a global benchmark for ethical behavior and independence in sustainability reporting and assurance.
- Revisions to the Code on the **Using the Work of an External Expert**, establishing an ethical framework for evaluating the competence, capabilities and objectivity of external experts used by professional accountants and sustainability assurance practitioners.

The Board also approved a project plan to develop a new standard on **accounting firm culture and governance**, focusing, among other matters, on ethical leadership and accountability within accounting firms.

The Board marked the departure of two esteemed members, Vice Chair **Laurie Endsley**, IESBA Vice Chair, and **Andy Mintzer**. Their dedicated service and contributions have helped significantly shape the IESBA's work.

For more information, please visit ethicsboard.org.

2. ALMOST HALF OF TAXPAYERS DON'T SEE THEIR TAXES BEING SPENT FOR THE PUBLIC GOOD

Across the globe taxpayers support the idea of a fiscal contract – citizens agreeing to pay tax in exchange for services – but a global poll suggests that only a third see the deal working in practice.

Globally the survey found that 52% of respondents agree that taxes are a contribution to the community rather than a cost (25% disagree, rest neutral), but only 33% agree that tax revenues in their country are spent for the public good (46% disagreeing, rest neutral). In addition, 32% agree that public services and infrastructure are a fair return for the taxes they pay (50% disagree, rest neutral).

But the survey found that Latin American countries are consistently less positive than the regional averages for the sample countries in Africa and Asia. The findings are consistent with previous G20 survey results, where Mexico, Argentina and Brazil typically return lower trust and confidence scores than average.

Public Trust in Tax 2024: Latin America and Beyond – research by ACCA (the Association of Chartered Certified Accountants), IFAC (International Federation of Accountants) and joined for the first time by the OECD (Organisation for Economic Co-operation and Development) – surveyed some of the largest countries by population in different regions of the world, including a deep dive focus on Latin America, encompassing different cultures and economies. The 2024

survey marks the most significant expansion of the work to date, both in terms of questions asked and countries covered.

The focus on Latin America highlighted a weaker support for the fiscal contract in the region, with only 47% agreeing taxes are a contribution, and just 25% agreeing public services and infrastructure are a fair return for the taxes they pay. Respondents in Latin America were also less likely to see tax primarily as a legal issue. While 56% of those in Africa and 52% in Asia see tax mainly as a matter of laws and regulation, only 39% of respondents in Latin America did – 45% saw tax as an equal blend of both laws and morals, and 16% as mainly an issue of morals and fairness.

Helen Brand OBE, chief executive of ACCA said: ‘Trust in tax systems is crucial for sustainable development and prosperity, and the findings of this survey highlight the challenges that many governments across the world face in building it. We look forward to using this important work to engage with policymakers, tax authorities and civil society to drive evidence-based policy initiatives to build effective and trusted tax systems.’

Commenting on the finding that tax accountants are the most trusted source of information on tax, and politicians the least, Lee White, Chief Executive Officer of IFAC, said ‘Consumer and investor protection is the foundation for economic prosperity, which aligns with building trust in the tax ecosystem. As the survey confirms, and in line with previous editions, professional tax accountants are the most trusted source of tax information globally. This trust places an enormous responsibility on our profession to act with integrity, to bridge the gap between governments and taxpayers, and to uphold the highest standards of ethics.’

Manal Corwin, Director of the OECD Centre for Tax Policy and Administration said: ‘We are pleased to join with ACCA and IFAC on this key research. The findings in this report highlight that support for the fiscal contract remains strong in theory, but it’s not being delivered in practice for many. We can use these findings to identify how to rebuild trust in both the theory and practice of tax across the globe.’

3. IFAC, IFRS FOUNDATION, IOSCO SHARE INSIGHTS TO ADVANCE CLIMATE & SUSTAINABILITY-RELATED REPORTING

Top leaders in global sustainability standard setting, regulation, and accounting joined an afternoon of programming jointly hosted by the International Federation of Accountants (IFAC), the IFRS Foundation, and the International Organization of Securities Commissions (IOSCO) in New York to advance global adoption and implementation of the ISSB standards and build an understanding of sustainability assurance in its early days.

The invite-only event, [*Accelerating Climate and Sustainability-related Disclosures: A Global Perspective*](#), was significantly oversubscribed. To support ongoing discussion on this critical topic and continue momentum and action, IFAC is making recordings of the event available to the public.

Part 1: A Global Perspective from the IFRS Foundation, IOSCO, and IFAC

- Jean- Paul Servais, Chair, IOSCO
- Emmanuel Faber, Chair, ISSB
- Moderator: Lee White, IFAC

Part 2: Reporting Perspective

- Ciara Lee, Senior Director, ESG Global Finance, CISCO
- Pamela Steer, President & Chief Executive Officer, CPA Canada
- Alessandra Lehmen, President, Brazilian Bar Environmental Law Commission (OAB/RS)
- Moderator: Elizabeth Seeger, Member, ISSB

Part 3: Standard Setter Perspective

- Tom Seidenstein, Chair, IAASB
- Gabriela Figueiredo Dias, Chair, IESBA

Part 4: Assurance Perspective

- Christine Albrecht, Managing Director, Deloitte; Chair, IFAC Transnational Auditors Committee (TAC), Forum of Firms
- Ami Beers, Senior Director — Assurance and Advisory Innovation, AICPA
- Kevin O’Connell, Sustainability Assurance Services Leader, PwC US
- Moderator: Andrew Hobbs, Andrew Hobbs, EY EMEIA Center for Board Matters Leader, EMEIA Public Policy Leader

Held during Climate Week NYC, this was just one of several IFAC connected learning events held this year to foster collaboration and alignment among regulators, standard setters, businesses, and the accountancy community to accelerate the uptake of climate-related disclosure and assurance.

In 2025, these action-advancing conversations will continue globally as part of the IFAC Connect™ series, with plans to convene leaders in Africa, Asia, Europe, Latin America, and MENA and again in New York City at Climate Week in September.

4. NEW GUIDANCE ADVANCES HIGH-QUALITY CORPORATE SUSTAINABILITY REPORTING AND ASSURANCE PREPAREDNESS

Accountants and finance professionals can now benefit from a practical resource to strengthen governance and control activities, enhancing the quality of sustainability information and disclosures. *Building Trust in Sustainability Reporting and Preparing for Assurance: Governance and Controls for Sustainability Information* was published today by the International Federation of Accountants (IFAC) and We Mean Business Coalition (WMBC), in partnership with the Global Accounting Alliance (GAA).

In today’s evolving corporate landscape, where companies and their stakeholders require reliable and decision-useful information to understand sustainability risks and opportunities, *Building*

Trust in Sustainability Reporting and Preparing for Assurance provides a roadmap for organizing and enhancing governance and control systems. The guidance outlines steps to align sustainability and financial reporting in terms of quality, timing, and connectivity, and addresses challenges in sustainability reporting.

By implementing a systematic annual cycle of governance and control activities, companies can improve the quality and maturity of their data and reporting processes, reducing the likelihood of modified assurance conclusions or audit opinions while laying the foundation for robust sustainability reporting and assurance.

Lee White, Chief Executive Officer of IFAC, said: “Professional accountants play a pivotal role in enhancing the quality of sustainability information—a role that is increasingly critical as companies navigate new requirements for sustainability-related financial disclosure. This new guidance is a practical resource for our member organizations to support professional accountants take on this responsibility and to build confidence, prepare for assurance, and support the global sustainability transformation.”

Maria Mendiluce, CEO of the We Mean Business Coalition, added: “Robust sustainability reporting depends on effective governance and control processes. Elevating the quality of sustainability information and connecting it to financial reporting is essential for companies committed to ambitious climate action and attracting investors committed to sustainable growth.”

Jim Knafo, CEO of The Global Accounting Alliance (GAA), said: "This guidance marks an important step forward in recognizing how robust governance and controls lead to reliable and decision-useful sustainability reporting. Professional accountants are well-positioned to ensure that sustainability information meets the high standards of transparency and quality demanded by today's stakeholders. Through our collaboration with IFAC and We Mean Business Coalition, GAA is committed to empowering our members with the tools they need to drive trust and accountability in sustainability reporting and assurance."

The new guidance can be applied to the adoption of the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB) and jurisdictional requirements, including the European Sustainability Reporting Standards (ESRS). Both sets of standards also emphasize the importance of transparency on governance, risk management, and internal controls to inform an assessment of the quality of a company's sustainability reporting.

This resource is part of IFAC's ongoing efforts to convene and empower global and regional stakeholders and equip them with the tools to advance effective sustainability reporting practices and assurance preparedness such as its global IFAC Connect™ events, bringing together key players, including PAOs, business leaders, and regulators, to address the urgent need for actionable sustainability strategies.

5. ENABLING A PROFESSION IN GLOBAL TRANSFORMATION: INSIGHTS FROM IFAC'S PAIB ADVISORY GROUP

Professional accountants in business (PAIBs) play a crucial role in advancing sustainable business practices, promoting transparency, and enhancing the economic and social prosperity of communities across the globe.

In its final meeting of 2024, IFAC's PAIB Advisory Group explored the transformative role of PAIBs in tackling global challenges and seizing new opportunities to strengthen the role of accountants in driving business success and resilience. Discussions focused on navigating systemic risks, fostering innovation, and advancing sustainability to position PAIBs as key enablers of transformational change.

Key themes included:

- **Embracing AI for Innovation:** Generative AI is revolutionizing the work of PAIBs. A case study on internal audit highlighted its use, saving time and enhancing strategic insights.
- **Driving Climate Resilience:** PAIBs are crucial in improving sustainability information and disclosure and mobilizing investments to support low-carbon transitions.
- **Integrated Thinking and Decision-Making:** Breaking silos to enable holistic decision-making and creating long-term value requires integrated thinking capabilities which can vary by career stage or role.
- **Supply Chain Management and Procurement:** PAIBs can partner with procurement, operations, and compliance teams to achieve ethical and sustainable procurement and supply chain management practices.

Sanjay Rughani, PAIB Chair, said: "In this era of transformation, professional accountants are uniquely positioned to drive change and create value across organizations. By embracing innovation and integrated thinking, PAIBs can lead the way in shaping a resilient, sustainable future."

IFAC remains committed to equipping PAIBs with the tools and resources to thrive in a dynamic global landscape. The next PAIB Advisory Group meeting will take place in April 2025 in Tokyo, hosted by the Japanese Institute of Certified Public Accountants (JICPA).

6. IESBA LAUNCHES STANDARD-SETTING PROJECT ON ACCOUNTING FIRM CULTURE AND GOVERNANCE

The International Ethics Standards Board for Accountants (IESBA) launched a standard-setting project on accounting firm culture and governance, actioning the recommendations of the Working Group on Firm Culture and Governance in its fact-finding report, which was released on 14 January 2025 in New York.

Key findings of the report include:

- The role of ethical leadership and robust governance within accounting firms as key drivers in creating a culture that promotes ethical behavior.

- The importance of transparent and ethical leadership, firm-wide accountability mechanisms and the provision of independent input.
- The need for alignment of performance incentives with ethical behavior, continuous ethics education, and a culture of open discussion and challenge.

Taking into consideration the Working Group's conclusions and recommendations, the standard-setting project aims to develop a principles-based culture and governance framework for accounting firms that promotes, supports and reinforces a high standard of ethical behavior across all their professional services.

As part of this strategic initiative, the IESBA will also develop non-authoritative materials to raise awareness about the importance of ethical behavior in accounting firms and support firms with guidance on embedding ethics into their strategies and operations. These will also help involve other stakeholders who might contribute to developing an ecosystem for highly ethical accounting firms.

The IESBA will conduct a series of in-person and virtual global roundtables in March and April 2025 to gather views from a broad range of stakeholders. The in-person roundtables will be held in New York City, USA; Melbourne, Australia; Brussels, Belgium; and Kuala Lumpur, Malaysia. Further details will be announced in due course.

Gabriela Figueiredo Dias, Chair of the IESBA, said, "Ethics is foundational to the work of all accounting firms and all the professionals therein. It is their gateway to public trust in their professional services. I commend the Working Group on tabling a comprehensive report, identifying the key areas of focus we will be probing carefully and systematically, in collaboration with stakeholders, as we seek to develop a global framework for culture and governance for firms. It is our strong conviction that this framework will enable firms to be highly ethical firms consistently, strengthening their resilience against risks of unethical behavior, maintaining a good reputation, and ensuring their long-term sustainability to serve clients, investors, other stakeholders, and the public interest."

Established in March 2024, the Working Group's charge included, among other matters, gathering an understanding of culture and governance and their impact on compliance with ethical requirements in accounting firms and, where applicable, their networks and developing recommendations for the IESBA.

The development of the report was informed by extensive outreach to stakeholders, including regulators and oversight bodies, investors and the corporate governance community, accounting firms, professional accountancy organizations, national standard setters, and the Stakeholder Advisory Council, as well as a review of academic literature.

The topic of accounting firm culture and governance is a strategic priority for the IESBA following a spate of high-profile cases of unethical behavior in accounting firms in several jurisdictions in recent years. These cases have led to adverse consequences for individual professional accountants and their firms in multiple jurisdictions.

7. IAASB AND IESBA UNVEIL NEW STANDARDS AND GUIDANCE TO STRENGTHEN SUSTAINABILITY REPORTING AND ASSURANCE

The International Auditing and Assurance Standards Board (IAASB) and the International Ethics Standards Board for Accountants (IESBA) has on 27 January 2025 launched an integrated effort to support effective implementation of their [landmark standards aimed at advancing trust and transparency in sustainability reporting and assurance](#).

Taken together, the IAASB and IESBA sustainability-related standards, as well as the new IESBA standard on using the work of experts, provide a unified global approach to address the growing demand for trustworthy sustainability information to support stakeholder decisions.

These standards establish clear expectations for ethical behavior in sustainability reporting and assurance and provide more specific requirements for practitioners and organizations in relation to assurance engagements on sustainability information. The IAASB's ISSA 5000 and the IESBA's IESSA share five common goals:

- Equipping global markets with a cohesive package of standards. After robust and close coordination, the IAASB and IESBA developed comprehensive, interoperable global standards for assurance, ethics, and independence for sustainability assurance engagements.
- Offering a global baseline and leveling the playing field by meeting market demands and regulatory calls and expectations for profession-agnostic global standards.
- Providing a framework-neutral approach that allows ISSA 5000 and IESSA to be applied in relation to sustainability information prepared under any suitable sustainability reporting framework.
- Promoting informed decision-making based on trust and independently assured sustainability information.
- Mitigating risks of fraud, including greenwashing, and non-compliance with laws and regulations.

A Unified Vision for Sustainability Reporting

"The interoperable package of ISSA 5000 and IESSA represents an important evolution in global sustainability reporting and assurance," said Tom Seidenstein, Chair of the IAASB. "These standards establish the necessary technical and ethical pillars to ensure that qualified practitioners could consistently perform high-quality assurance engagements on sustainability information."

Gabriela Figueiredo Dias, Chair of the IESBA, added, "Ethics is the foundation of trust. With these standards, we are equipping preparers and practitioners with the tools needed to uphold integrity and foster transparency in sustainability reporting. Together, the IAASB and IESBA are setting a global standard for accountability and professionalism."

Effective Dates and Next Steps

In jurisdictions adopting the standards, both ISSA 5000 and IESSA become effective for periods starting on or after December 15, 2026, with early adoption permitted and encouraged. The IAASB and IESBA will provide ongoing support through webinars, implementation guidance, and continued implementation monitoring and feedback channels to ensure smooth and effective adoption.

8. IPSASB ISSUES AMENDMENTS RELATED TO SPECIFIC IFRIC INTERPRETATIONS

The International Public Sector Accounting Standards Board (IPSASB®), developer of IPSAS® Standards, international accrual-based accounting standards for use by governments and other public sector entities around the world, has on 28 January 2025 issued [Amendments to IPSAS Standards: Specific IFRIC Interpretations](#).

Amendments to IPSAS Standards: Specific IFRIC Interpretations is the result of the IPSASB's IFRIC Alignment – Narrow Scope Amendments project, which reviewed and considered seven IFRIC and SIC Interpretations previously published by the IFRS Interpretations Committee. These Interpretations were issued to clarify the application of specific International Financial Reporting Standards (IFRS) to transactions or scenarios where there may be uncertainty or ambiguity. In reviewing the IFRIC and SIC Interpretations, the IPSASB aimed to maintain alignment with IFRS Standards, where appropriate, and identify and incorporate guidance into IPSAS Standards that was applicable for governments and public sector entities and should be incorporated into IPSAS literature.

The IPSASB concluded that four of the IFRIC Interpretations in the scope of this project were applicable to the public sector and has amended existing IPSAS Standards to incorporate new guidance, based on those Interpretations, to clarify the application of existing accounting principles on specific matters.

Ian Carruthers, IPSASB Chair said: "This release reflects the IPSASB's commitment to maintaining a global baseline for public sector financial reporting. By incorporating selected IFRIC Interpretations that are relevant to the public sector, we enhance consistency, and facilitate comparability across jurisdictions, reinforcing transparency, accountability, and trust in public sector financial management worldwide. Going forward, the IPSASB will consider the applicability of future IFRIC Interpretations as they are issued to ensure public sector financial reporting remains globally relevant, clear, and consistent."

[Amendments to IPSAS Standards: Specific IFRIC Interpretations](#) has an effective date of January 1, 2026. Earlier application is permitted.

9. JOINT STATEMENT FROM EELCO VAN DER ENDEN, ACCOUNTANCY EUROPE CEO AND LEE WHITE, CEO OF IFAC (INTERNATIONAL FEDERATION OF ACCOUNTANTS)

The accountancy profession stands at a turning point with equally exciting opportunities and challenges. As Accountancy Europe and IFAC CEOs, we believe it is necessary to enhance cooperation for our members' benefit. This partnership reflects our shared commitment to support our members and strengthen our profession.

As a culmination of previous engagement, we spent time together at Accountancy Europe's office in Brussels and explored how to align our respective member value and identified four potential workstreams around:

- **Trust in sustainability disclosures:** high-quality sustainability reporting is essential, especially in an ever-evolving landscape. Our profession will continue to guide companies towards reliable and comparable sustainability information for global investors and stakeholders, to serve as a catalyst for more sustainable business models, ensuring that ethics, independence as well as quality are not compromised.
- **Ethical technological transformation:** technology and AI are transforming the way accountants work, offering new efficiencies and capabilities. Our profession must continue to embrace these advancements and leverage them to enhance services and deliver greater value.
- **The profession's future:** rapidly evolving markets bring unprecedented opportunities and challenges to our profession's growth. Funding of professional practices, incorporation and networking cooperation are part of evolving organisational models.
- **Pathways to the profession:** new pathways to attract diverse talent to the profession must be created to ensure future generations of accountants are well-equipped to meet evolving demands.

Through coordinated efforts on these key matters, we will provide stronger representation, better resources, and a clearer voice for our members.

Eelco van der Enden said: *"In a time of global challenges and isolationism temptations, it is crucial to demonstrate that the accountancy profession is united. Regional and global efforts are not only complementary but essential. Global issues do not recognise regional borders, and neither should our response"*.

"I am excited to work again with Eelco in his new role, and to innovate how we deliver greater cooperation and value for our members. There are multiple opportunities. I am also committed to strengthening our partnerships with regional network partners in Africa, Asia, and the Americas, ensuring that our members and the global accountancy profession is united and well-supported in every region of the world", said Lee White.

10. IFAC ENHANCES INTERNATIONAL EDUCATION STANDARDS TO EQUIP PROFESSIONAL ACCOUNTANTS FOR SUSTAINABILITY REPORTING

The International Federation of Accountants (IFAC), which unites and connects professional accountancy organizations worldwide, has finalized [revisions to the International Education Standards](#) on 13 March 2025 in New York, to embed sustainability throughout aspiring professional accountants' training. These updates reinforce the accountancy profession's role in supporting high-quality sustainability reporting and assurance while upholding integrity and professional quality.

"IFAC and our members work together to shape the future of the profession through learning, innovation, a collective voice, and a shared commitment to the public interest," said Lee White, IFAC Chief Executive Officer. "These revisions to the education standards ensure that professional accountants worldwide develop the right competencies to implement sustainability reporting and assurance standards effectively."

The revisions to these foundational education standards establish a global baseline of sustainability competence, ensuring professional accountants worldwide are prepared to implement sustainability-related disclosure and assurance standards. This includes standards issued by the International Auditing and Assurance Standards Board (IAASB), the International Ethics Standards Board for Accountants (IESBA), and the International Sustainability Standards Board (ISSB), as well as those under development by the International Public Sector Accounting Standards Board (IPSASB).

As sustainability data and information become integral to corporate decision making and transparency, it is crucial that professional accountants are equipped with the necessary skills to provide high-quality reporting and assurance that meets the needs of management, investors, regulators, and other stakeholders.

Key Sustainability Enhancements

- **Integrated Sustainability Approach:** Sustainability concepts are embedded throughout the IES learning outcomes addressing initial professional development, ensuring professional accountants are able to connect financial and sustainability data and information.
- **New Assurance Competence Area:** Introduces learning outcomes that allow accountants to develop a strong foundational understanding of assurance fundamentals.
- **Strengthened Business Acumen Focus:** Enhances accountants' ability to assess sustainability impacts on business models, value chains, and organizational strategy.
- **Enabling Behavioral Competencies:** Reinforces skills such as decision making, adaptability, and collaboration.

- **Expanded Explanatory Materials:** Provides additional guidance to facilitate implementation by professional accountancy organizations, universities, and training programs.

Additionally, IFAC has modernized IES 6, *Initial Professional Development – Formal Assessment of Professional Competence*, to introduce two new principles, integrity and authenticity, and update the principle of equity, alongside enhanced guidance on hybrid and remote assessments.

The updates to the IESs reinforce IFAC’s commitment to strengthening the global accountancy profession through its member organizations, which proudly uphold their role as champions of integrity and professional quality. IFAC calls on all stakeholders to begin preparing for implementation, with early adoption encouraged ahead of the **July 1, 2026** effective date.

IFAC also encourages its members and other stakeholders to request permission to translate the revised standards into their local languages.

Note:

Please request for permission via the IFAC website.

11. IAASB RELEASES COMPREHENSIVE IMPLEMENTATION GUIDE FOR THE ISA FOR LCE

The International Auditing and Assurance Standards Board (IAASB) has on 27 March 2025 in New York, released a new [first-time implementation guide for the ISA for LCE](#)—the standalone global auditing standard designed specifically for audits of financial statements of smaller and less complex entities (LCE). The guide provides an overview of the standard’s concepts, structure, and format. It offers step-by-step insights into each Part of the standard with examples and comparisons to ISAs, equipping practitioners with the tools to effectively implement the ISA for LCE.

Available on the IAASB website, the guide complements previously released resources, including an adoption guide, supplementary guidance on the authority of the standard and on auditor reporting, videos, and webinars. Together, these materials form a comprehensive toolkit to support effective implementation.

This guidance does not amend or override the authoritative text of the ISA for LCE but serves as a valuable resource to facilitate understanding and application. Explore the guide and additional resources at: www.iaasb.org/ISAforLCE.

For further information: <http://www.ifac.org>

**Financial Reporting Council
April 2025**