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Ms. Gabriela Figueredo Dias
Chair of the International Ethics and
Standards Board for Accountants
570 Lexington Avenue
New York NY 10022
USA

29 July 2026

Post-Implementation Review Survey – Responding to NOCLAR

Dear Gabriela,

We refer to our response to the IESBA Post-Implementation Review (PIR) on Responding to Non-Compliance with Laws and Regulations (NOCLAR), which is attached to this letter in the Word template provided.

We would like to thank you for the opportunity to provide our comments. In this cover letter, we would like to offer some overarching observations, as we do not believe the format of the online questionnaire allows us to do so as effectively.

In our view, any decision on revisions to the NOCLAR provisions should be based on robust evidence. A recurring challenge in this PIR is that many of the questions require information that respondents often do not possess and, given the nature of NOCLAR matters, frequently cannot reasonably be expected to possess. Matters involving actual or suspected non-compliance are often confidential and highly dependent on individual circumstances and therefore inherently difficult to assess in a comprehensive and representative manner.

GESCHÄFTSFÜHRENDER VORSTAND:
Melanie Sack, WP StB, Sprecherin
des Vorstands;
Dr. Torsten Moser, WP;
Dr. Daniel P. Siegel, WP StB

Amtsgericht Düsseldorf
Vereinsregister VR 3850

This limitation is particularly relevant when seeking to assess trends, effectiveness, benefits or challenges arising from the application of the NOCLAR provisions. As a result, responses are likely to rely, at least in part, on limited observations and perceptions rather than systematic evidence. Moreover, publicly visible cases can be exceptional cases, whereas situations that are addressed effectively and resolved without wider consequences can remain obscure. Any assertions made on the basis of the available information should therefore be treated with the utmost caution.

In order to obtain more reliable evidence, we recommend that independent academic research and empirical studies be carried out to assess how the provisions operate in practice across different legal systems, whether they achieve their intended objectives and whether unintended consequences arise.

Secondly, as we noted in our response to the recent PIR on the restructured Code, we continue to believe that the Code has become excessively detailed and difficult for users to navigate and apply in practice. The NOCLAR provisions are a prime example of this. Both PIRs should be seen as an opportunity to undertake a more fundamental review of the Code's structure, length and drafting approach. This should lead to a project to overhaul the Code towards a shorter, simpler, more principles-based Code, and thereby achieve global adoptability.

In this context, we see the following key areas for simplification of the NOCLAR provisions:

- **Elimination of "public interest tests":** IESBA should recognize that using the public interest as a threshold in requirements undermines the role of standards in providing requirements and guidance as to how professional accountants should fulfill their public interest role.

- **Elimination of overlaps with IAASB standards:** In our view, the requirements in the Code in relation to NOCLAR have shifted beyond reporting on matters identified in performing the engagement to additional investigation, involving additional work effort akin to an assurance engagement. These overlaps should be systematically removed, a step that would shorten the Code and eliminate inconsistency with the IAASB standards.

In our view, these actions would help create high quality NOCLAR provisions that are shorter, simpler, more principles-based and more capable of consistent global adoption and application.

Finally, we reiterate our view that any future work on NOCLAR would benefit from a joint approach from the IESBA and the IAASB. Given the significant interaction between ethical requirements and engagement standards, a coordinated approach would promote consistency, proportionality and simplicity while reducing the risk of unintended consequences.

We would be pleased to discuss any of these observations further and would welcome the opportunity to contribute to any future work in this area.

Yours sincerely,

Torsten Moser
Executive Director

Neville Anderson
Senior Technical Manager

IESBA Post-Implementation Review (PIR) Survey

Responding to Non-Compliance with Laws and Regulations (NOCLAR®)

Introduction

This survey is only applicable to respondents that have adopted or use or benefit from the Responding to Non-Compliance with Laws and Regulations (NOCLAR) provisions in the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code). Sections 5260 and 5360 as contained in the International Ethics Standards for Sustainability Assurance (including International Independence Standards) (IESSA), and conforming amendments to Sections 260 and 360 arising from the development of the IESSA, are outside the scope of this survey and only become effective in December 2026.

1. The International Ethics Standards Board for Accountants (IESBA) is conducting a post-implementation review (PIR) of the NOCLAR provisions in Sections 260 and 360 of the Code.

2. This survey seeks to obtain input from a broad range of stakeholders to enable the IESBA to determine:

   (a) Whether the NOCLAR provisions have achieved their intended purpose by identifying:

      (i) Benefits from applying the provisions; and

      (ii) Any practical challenges or questions regarding their implementation, including whether they are being consistently understood and applied; and

   (b) What actions, if any, are needed by the IESBA to address identified matters.

3. The responses received will be analyzed for purposes of providing feedback to the IESBA and in developing recommendations for any actions.

4. Recognizing that some respondents may wish to discuss certain NOCLAR or NOCLAR-related matters on a confidential basis instead of documenting them in writing when responding to this survey, respondents are welcome to reach out to the IESBA Project Team (email jeanneviljoen@ethicsboard.org and kamleung@ethicsboard.org) to discuss such matters confidentially. In such circumstances, respondents are requested to discuss the matters on an anonymized basis.

5. The survey comment period starts on April 1 and ends on July 30.

Survey Responses to be Made Public

6. Unless confidentiality is specifically requested, respondents' submissions will be considered a matter of public record and will be posted to the IESBA's website. Where confidentiality is requested, respondents are nonetheless requested to provide any detailed input on an anonymized basis.

7. Some questions ask for details, examples or sharing of relevant reports or materials. Respondents are requested to provide such information on an anonymized basis.

Survey Instructions

8. Respondents to the survey are asked to provide their responses only on the questions applicable to the stakeholder group to which they belong:

   - Part A — Demographic Information (All Respondents)
   - Part B — Jurisdictional Standard Setters (JSS)
   - Part C — Professional Accountancy Organizations (PAOs)
   - Part D — Regulators or Oversight Bodies
   - Part E — Accounting Firms or Individual Professional Accountants in Public Practice (PAPPs)
   - Part F — Professional Accountants in Business (PAIBs)
   - Part G — Other Users or Beneficiaries of the Code

9. Respondents may respond to all questions or only selected questions or matters. All responses to this survey, whether complete or partial, will be accepted and considered as input for the IESBA Project Team's analysis.

Overview and Key Intended Outcomes of the IESBA NOCLAR Provisions

10. The IESBA NOCLAR provisions establish a response framework to guide auditors, other PAPPs, and PAIBs in deciding how best to act in the public interest when they become aware of NOCLAR or suspected NOCLAR.

11. NOCLAR is any act of omission or commission, intentional or unintentional, committed by a client or employer, or by those charged with governance (TCWG), by management or by other individuals working for or under the direction of a client or employer which is contrary to the prevailing laws or regulations.

12. For a more detailed overview of the NOCLAR provisions of the Code, please access the following link here.

13. Key intended outcomes of the NOCLAR provisions in the public interest include:

    - Ensuring that PAs respond in a timely way to identified or suspected NOCLAR.
    - Rectifying, remediating, or mitigating the adverse consequences of identified or suspected NOCLAR to stakeholders and the general public.
    - Deterring the commission of NOCLAR.
    - Stimulating increased reporting of identified or suspected NOCLAR where required by law or regulation, or where determined appropriate under the Code in the public interest.

Part A – Demographic Information (All Respondents)

1. Please indicate if you are responding as an individual or on behalf of your organization?

   (a) If you are responding as an individual:

      (i) Please indicate your jurisdiction

(ii) Approximate years of professional experience:

- Less than 5 years
- 5–10 years
- 11–20 years
- More than 20 years

(b) If you are responding on behalf of your organization, please indicate the jurisdictional profile which best represents your situation, i.e., from which jurisdictional perspective are you providing your responses?

- Global
- Regional *(Please specify)*
- Multiple jurisdictions *(Please specify)*
- Single jurisdiction *(Please specify)*

Germany

2. Please indicate the stakeholder category to which you belong, i.e., from which perspective are you providing your responses? *If you or your organization has one or more roles (e.g., JSS and Regulator), please respond to all relevant parts of the survey.*

- JSS **(Complete Part B)** *(Please indicate the users of your standards as a JSS, e.g., individual PAPPs, professional accountants in business (PAIBs) and/or accounting firms (including audit firms))*
- PAOs **(Complete Part C)** *(Please indicate whether your members are PAPPs and/or PAIBs)*

  PAPPs only

- Regulators or oversight bodies **(Complete Part D)** *(Please indicate which of the following you regulate or oversee (select all that apply): PAPPs (including auditors), PAIBs, accounting firms (including audit firms), none of the above)*
- Accounting firms and individual PAPPs **(Complete Part E)**
- PAIBs **(Complete Part F)**
- Other users or beneficiaries of the Code *(Please specify)* (e.g., investors or other users of financial statements, those charged with governance, academics) **(Complete Part G)**

3. Please provide the following information (*Personal information will not be made public and will only be used by the Project Team to follow up if clarification on your responses is needed)*:

- Your organization's name, if any (if you are responding on behalf of an organization[1])

  Institut der Wirtschaftsprüfer in Deutschland e.V.

[1] If you respond on behalf of a global organization, the jurisdiction (or name of the country) in which you work. If you are responding on behalf of a global organization, please indicate “Global” as your jurisdiction.

- Your name and job title / role
    - Torsten Moser, Executive Director
    - Wolf Böhm, Technical Director Assurance Standards, Director International Affairs
    - Sebastian Kuck, Director European Affairs
    - Neville Anderson, Senior Technical Manager
    - Dunja Khulusi, Technical Manager
    - Ellen Krekeler, Assistant Assurance
- Your email address
    - Torsten.Moser@idw.de
    - Wolfgang.Boehm@idw.de
    - Sebastian.Kuck@idw.de
    - Neville.Anderson@idw.de
    - Dunja.Khulusi@idw.de
    - Ellen.Krekeler@idw.de
- Your jurisdiction

  Germany

Part B – Jurisdictional Standard Setters (JSS)

Adoption status and effective date

> *Note:*
>
> *Adoption (full or with modifications) refers to the formal acceptance and incorporation of the IESBA standards into a jurisdiction's national laws, regulations or professional requirements.*
>
> *Convergence is where a jurisdiction aligns its national ethics (including independence) standards or provisions with the IESBA standards through a process that seeks to eliminate or minimize differences between the IESBA and national standards or provisions. This includes a process where an IESBA standard is used as a basis to develop the local standard or provisions.*

4. Has your organization adopted the NOCLAR provisions of the Code (IESBA NOCLAR provisions)? *(Please choose the most representative answer*)

   (a) Yes, through full adoption with no modifications *(Please provide (i) information on the effective date, and (ii) links to the local NOCLAR provisions or the specific announcement of the adoption or issuance of the local NOCLAR provisions)*

   (b) Yes, through adoption with modifications *(Please (i) describe the nature of, and reasons for, the modifications, (ii) provide information on the effective date, and (iii) provide links to the local NOCLAR provisions or the specific announcement of the adoption or issuance of the local NOCLAR provisions)*

   (c) No, but the local NOCLAR provisions are converged with the IESBA NOCLAR provisions *(Please (i) provide information on the effective date, (ii) provide links to the local NOCLAR provisions or the specific announcement of the issuance of the local NOCLAR provisions, and (iii) describe any significant differences between the local NOCLAR provisions and the IESBA NOCLAR provisions)*

   (d) No, there are provisions in relevant law or regulation or a different ethical framework that address NOCLAR *(Please describe any significant differences between the relevant law or regulation or ethical framework and the IESBA NOCLAR provisions)*

   (e) Not adopted *(Please specify reasons. If there is a plan to adopt the IESBA NOCLAR provisions, please provide details, including timing)*

   If you have answered (a), (b) or (c), were the IESBA NOCLAR provisions translated into the local NOCLAR provisions? If yes, please indicate the language of translation.

Guidance and educational materials

5. What guidance or educational materials has your organization issued, or what programs has your organization developed, to support understanding of the local NOCLAR provisions in your jurisdiction? (*Select all that apply and provide links*)

   - Technical guidance (e.g., FAQs)
   - Education/training programs (e.g., webinars, CPD programs)

- Articles, publications or newsletters (e.g., updates about standards, case studies or illustrative examples)
- Other *(Please specify)*
- None

Other support

6. Does your organization provide guidance to individual professional accountants, accounting firms, or other users of your standards in the application of the local NOCLAR provisions if they seek such assistance, e.g., in dealing with a NOCLAR matter? (*Select all that apply)*

    - Ethics hotline or equivalent (e.g., for technical queries)
    - Discussion forum (e.g., for sharing knowledge)
    - Whistleblower hotline (e.g., to report actual or suspected NOCLAR)
    - Other *(Please specify)*
    - None

Inquiries and questions

7. Which specific provisions in the local NOCLAR provisions has your organization commonly received inquiries or questions about? *(Please provide details, including from which stakeholder groups the inquiries or questions arose)*

Level of understanding

8. Do users of your organization's standards have an overall understanding of the local NOCLAR provisions? *(Please explain the basis for your response, including how your organization evaluates the overall understanding of the local NOCLAR provisions by users of your standards)*

    - Yes
    - Somewhat
    - No
    - Not known or no data available

Legal protection

9. In your jurisdiction, does legislation or regulation exist (e.g., under whistleblowing laws or regulations) that provides protection from civil, criminal or professional liability, or from retaliation, when NOCLAR or suspected NOCLAR is disclosed to an appropriate authority? Please provide details.

    If yes, is the protection under the relevant law or regulation perceived to be effective? Please explain your response.

Observed outcomes (benefits and challenges)

10. Has your organization observed any trend in instances of NOCLAR reported or escalated?

If so, please describe the trend and indicate the period for which this trend has been observed, as well as the general nature of the NOCLAR commonly observed.

11. Based on your organization's observations, has the application of the local NOCLAR provisions been effective in deterring the commission of NOCLAR, or rectifying, remediating or mitigating the consequences of NOCLAR? (*Please explain the basis for your response and provide any relevant details, including any supporting materials or reports*)

12. Has your organization observed any challenges in the application of the local NOCLAR provisions? *(Please provide details, including specific provisions that caused particular challenges and why, as well as any actions taken to address them)*

13. Has your organization observed any trends where professional accountants or accounting firms encountered NOCLAR or suspected NOCLAR but did not apply the local NOCLAR provisions in whole or in part?

    - Yes, the provisions were not applied in whole *(Please explain why the provisions were not applied (e.g., lack of evidence for suspected NOCLAR, confidentiality issues, etc.)*
    - Yes, the provisions were only partially applied *(Please explain which provisions were not applied and why (e.g., lack of evidence for suspected NOCLAR, confidentiality issues, etc.)*
    - No, not observed

Other comments

14. From your perspective, what further efforts should IESBA pursue to enhance the effectiveness of implementation of the IESBA NOCLAR provisions globally? *(Please explain your response)*

15. Do you have any other comments or specific matters the IESBA should consider as part of this PIR on the IESBA NOCLAR provisions (including on any benefits arising from using the local NOCLAR provisions, or on matters of translation)?

Part C – Professional Accountancy Organizations (PAOs)

Adoption status and effective date

> *Note:*
>
> *Adoption (full or with modifications) refers to the formal acceptance and incorporation of the IESBA standards into a jurisdiction's national laws, regulations or professional requirements.*
>
> *Convergence is where a jurisdiction aligns its national ethics (including independence) standards or provisions with the IESBA standards through a process that seeks to eliminate or minimize differences between the IESBA and national standards or provisions. This includes a process where an IESBA standard is used as a basis to develop the local standard or provisions.*

4. Has your organization adopted the NOCLAR provisions of the Code (IESBA NOCLAR provisions)? *(Please choose the most representative answer*)

    (a) Yes, through full adoption with no modifications *(Please provide (i) information on the effective date and (ii) links to the local NOCLAR provisions or the specific announcement of the adoption or issuance of the local NOCLAR provisions)*

    (b) Yes, through adoption with modifications *(Please (i) describe the nature of, and reasons for the modifications, (ii) provide information on the effective date, and (iii) provide links to the local NOCLAR provisions or the specific announcement of the adoption or issuance of the local NOCLAR provisions)*

    (c) No, but the local NOCLAR provisions are converged with the IESBA NOCLAR provisions *(Please (i) provide information on the effective date, (ii) provide links to the local NOCLAR provisions or the specific announcement of the issuance of the local NOCLAR provisions, and (iii) describe any significant differences between the local NOCLAR provisions and the IESBA NOCLAR provisions)*

    (d) No, there are provisions in relevant law or regulation or a different ethical framework that address NOCLAR *(Please describe any significant differences between the relevant law or regulation or ethical framework and the IESBA NOCLAR provisions)*

    (e) Not adopted *(Please specify reasons. If there is a plan to adopt the IESBA NOCLAR provisions, please provide details, including timing)*

    If you have answered (a), (b) or (c), were the IESBA NOCLAR provisions translated into the local NOCLAR provisions? If yes, please indicate the language of translation.

    No answer is given as the IDW is not responsible for adoption of the Code in our jurisdiction.

Guidance and educational materials

5. What guidance or educational materials has your organization issued, or what programs has your organization developed, to support understanding of the local NOCLAR provisions in your jurisdiction? (*Select all that apply and provide links*)

    - Technical guidance (e.g., FAQs)

- Education/training programs (e.g., webinars, CPD programs)
- Articles, publications or newsletters (e.g., updates about standards, case studies or illustrative examples)
- Other *(Please specify)*
- None

In Germany, the IESBA NOCLAR provisions have not been directly adopted. For the purpose of this response, NOCLAR-related requirements are therefore understood to be those as reflected in German professional law and regulation (in particular, the Berufssatzung WP/vBP). The IDW provides a broad range of general guidance and educational materials supporting compliance with professional obligations, which include professional obligations relating to NOCLAR:

Technical guidance

The IDW provides technical materials and practice aids addressing professional obligations, including areas related to NOCLAR (e.g., anti-money laundering), supported by dedicated thematic sections in the members' area of the IDW website.

In addition, German-specific supplemental paragraphs to the ISAs as adopted in Germany, other IDW auditing, assurance and quality management standards incorporate requirements and guidance on German professional obligations, which include aspects relevant to NOCLAR.

Further detailed practical guidance is provided to members in the IDW's Quality Management Handbook which provides a template audit methodology that is particularly aimed at SMPs. This provides practical templates and practice aids to help SMPs address compliance with professional obligations, including NOCLAR.

Education/training programs

The IDW offers comprehensive training programs for aspiring and qualified German Public Auditors, which integrate compliance with professional law and ethical requirements, including areas relevant to NOCLAR.

Articles, publications and newsletters

Topics related to professional obligations (including those relevant for NOCLAR) are addressed in publications such as professional journals and other IDW publications.

WPK materials

We also refer to extensive support and materials provided by the Wirtschaftsprüferkammer (WPK) (German Chamber of Public Accountants).

6. Does your organization provide guidance to individual members and accounting firms in the application of the local NOCLAR provisions if they seek such assistance, e.g., in dealing with a NOCLAR matter? (*Select all that apply)*

- Ethics hotline or equivalent (e.g., for technical queries, application questions on the local NOCLAR provisions)
- Discussion forum (e.g., for sharing knowledge)
- Whistleblower hotline (e.g., to report actual or suspected NOCLAR)
- Other *(Please specify)*
- None

In addition to the guidance and educational materials mentioned in question 5 above, the IDW provides support to members and firms in the application of professional requirements (including those relevant to NOCLAR) as follows:

General hotline for all member enquiries

The IDW operates an enquiries service ("Anfragen-Service"), through which members can seek guidance on the application of professional requirements, including matters that may relate to NOCLAR. These are either answered directly or in consultation with in-house legal specialists or the WPK.

Technical discussion forums

Informal and structured discussion platforms exist, such as the "Mittelstandsrunde" for SMPs, which facilitate exchange of experiences and questions among practitioners regarding technical matters. Although these are not specific to NOCLAR and ethics, these subjects may be included from time to time.

WPK materials

We also refer to extensive support and materials provided by the WPK.

Inquiries and questions

7. Which specific provisions in the local NOCLAR provisions has your organization commonly received inquiries or questions about? *(Please provide details, including from which stakeholder groups the inquiries or questions arose)*

Based on internal observations, we are not able to identify specific local NOCLAR provisions (i.e., individual paragraphs or sections) that systematically trigger inquiries, as such data is not formally tracked or analyzed.

In practice, NOCLAR-related considerations are typically addressed in the context of the applicable national professional and legal framework. As a result, inquiries tend to arise primarily in relation to these locally applicable requirements, while direct references to specific provisions of the IESBA Code of Ethics are less common.

Level of understanding

8. Do your organization's members have an overall understanding of the local NOCLAR provisions? *(Please explain the basis for your response, including how your organization evaluates the overall understanding of the local NOCLAR provisions by its members)*

- Yes
- Somewhat
- No
- Not known or no data available

Ethics and independence requirements are included in initial and continuing professional education programs and are part of the set syllabus for the professional exams for German Public Accountants (Wirtschaftsprüfer). The IDW provides training programmes and services in preparation for professional exams. The exams themselves are administered by the WPK.

There is no separate IDW evaluation of members' understanding of the local NOCLAR provisions.

Enforcement

9. Does your organization enforce the local NOCLAR provisions?

- Yes (*Please specify (i) when enforcement started, (ii) details such as disciplinary cases against members (the information may be anonymized), and (iii) links to relevant published reports*)
- No (*Please specify (i) why your organization does not enforce the local NOCLAR provisions, (ii) which organization enforces the local NOCLAR provisions, and (iii) whether your organization receives reports from them*)

No. The IDW does not have responsibility for the enforcement of professional requirements applicable to German public accountants and auditors and therefore does not enforce local NOCLAR-related provisions.

Enforcement of the relevant professional requirements is primarily carried out by the WPK through its disciplinary oversight and quality assurance functions. For statutory audits of financial statements of public-interest entities, the Auditor Oversight Body (Abschlussprüferaufsichtsstelle – APAS) has responsibility for enforcement. APAS also oversees the WPK in this respect.

The IDW does not generally receive enforcement reports relating to individual cases. Information on supervisory activities is publicly available through reports and publications issued by WPK and APAS.

Appropriate authority

10. Does your organization have the authority to investigate NOCLAR or suspected NOCLAR that is reported to it and take any necessary action?

- Yes *(Please provide details, including the (i) nature of the NOCLAR matters that have been reported to your organization, and the (ii) actions taken (the information may be anonymized))*
- No

Legal protection

11. In your jurisdiction, does legislation or regulation exist (e.g., under whistleblowing laws or regulations) that provides protection from civil, criminal, or professional liability, or from retaliation, when NOCLAR or suspected NOCLAR is disclosed to an appropriate authority? Please provide details.

    If yes, is the protection under the relevant law or regulation perceived to be effective? Please explain your response.

In Germany, the Whistleblower Protection Act (Hinweisgeberschutzgesetz – HinSchG) provides protection for 'whistleblowers'.

The compatibility of external reporting with the statutory auditor's duty of confidentiality is governed by Section 6 Paragraph 2 HinSchG. Pursuant to this provision, the disclosure of information subject to other professional confidentiality obligations is permissible only to the extent that the reporting person (the 'whistleblower') had reasonable grounds to believe that the disclosure, in the specific scope, was necessary to uncover an instance of NOCLAR (Section 6(2) No. 1 HinSchG).

Such confidentiality obligations include, inter alia, the primary and derived professional duties of statutory auditors (Sections 43, 50, 50a, 55, 56 of the German Public Accountants Act (Wirtschaftsprüferordnung – WPO)), tax advisors (Section 57 paragraph 1, Sections 62, 62a, 64 paragraph 2, Section 74 paragraph 2 of the German Tax Advisors Act (Steuerberatungsgesetz – StBerG)), as well as statutory confidentiality obligations of members of the governing bodies of professional chambers (Sections 76, 184 of the Federal Lawyers' Act (BRAO), Section 83 StBerG, Section 69a of the Federal Notaries Code (BNotO), Section 71 of the Public Accountants Act (PAO), Sections 64, 66b WPO).

In this context, the key criterion is the requirement of necessity. The involvement of an external reporting channel is generally not considered necessary where the statutory audit firm maintains an internal whistleblowing system that is regularly reviewed for effectiveness. Only where there are specific indications of its ineffectiveness may reporting to an external authority be considered necessary on an individual case-by-case basis (cf. Section 6 paragraph 2 No. 1 HinSchG).

The same applies with regard to potential instances of NOCLAR by an (audit) client. In such cases, reporting to an external authority must be necessary. Hence the instance of NOCLAR must be addressed internally in the first instance, i.e., by informing the management of the (audit) client. Only in cases where management fails to take appropriate action may reporting to an external authority be considered necessary on an individual case-by-case basis (cf. Section 6 paragraph 2 No. 1 HinSchG).

In this respect, the right of the reporting person to choose between internal and external reporting channels is restricted for statutory auditors by Section 6 paragraph 2 HinSchG. Where reporting to an external authority is not necessary, such reporting may constitute a breach of professional duties.

Apart from the HinSchG, for statutory audits of public-interest entities, Article 7 of Regulation (EU) No. 537/2014 and Section 323 paragraph 5 of the German Commercial Code (Handelsgesetzbuch or HGB) requires auditors to report certain suspected irregularities to the German Federal Financial Supervisory Authority (and, where appropriate, other competent authorities). Together with Section 323 paragraph 1 HGB, these provisions provide a legal basis for the disclosure and protect the auditor from professional or confidentiality-based liability arising solely from making the required report. They do not, however, provide a general immunity from civil, criminal, or professional liability for deficiencies in the audit itself.

The effectiveness of the protection afforded under the provisions noted above has not been assessed by us and we are not aware of any empirical studies or research addressing this question. Given the nature of the subject matter, we are not in a position to derive robust assertions on this matter based on our (anecdotal) experience to date.

Observed outcomes (benefits and challenges)

12. Has your organization observed any trend in instances of NOCLAR reported or escalated?

    If so, please describe the trend and indicate the period for which this trend has been observed, as well as the general nature of the NOCLAR commonly observed.

Identifying trends that are not biased towards issues in the public domain is inherently difficult in the case of NOCLAR owing to confidentiality considerations. Given this inherent difficulty, we consider it inappropriate to attempt to derive such trends from the limited information available to us. Nor are we aware of any empirical studies or research that would provide a sufficiently robust basis for identifying reliable trends in the nature or frequency of NOCLAR matters encountered in practice.

13. Based on your organization's observations, has application of the local NOCLAR provisions been effective in deterring the commission of NOCLAR, or rectifying, remediating or mitigating the consequences of NOCLAR? (*Please explain the basis for your response and provide any relevant details, including any supporting materials or reports*)

Based on our organization's observations, it is difficult to assess reliably whether application of the local NOCLAR provisions has been effective in deterring the commission of NOCLAR or in rectifying, remediating or mitigating its consequences. Although we are not aware of any systematic deficiencies in local NOCLAR provisions, we do not consider the limited information available to us sufficient to draw reliable conclusions regarding their overall deterrent or remedial effectiveness.

The relevant matters are generally subject to strict confidentiality requirements, and our organization does not have access to sufficiently comprehensive or representative information on how identified cases have developed over time. In particular, it is often not possible to determine whether an apparent absence of further non-compliance is attributable to the NOCLAR provisions, to other legal or regulatory requirements, to internal remedial action, or to unrelated factors.

Any observed changes in the incidence or nature of NOCLAR may be influenced by a wide range of external factors unrelated to the NOCLAR provisions themselves. These may include, for example, increased opportunities arising from technological developments and new business models, increased financial or economic pressures, geopolitical developments, growing regulatory complexity and changes in the effectiveness of enforcement and detection mechanisms.

Such factors may have a substantially greater influence on the occurrence and nature of NOCLAR than the existence or application of the NOCLAR provisions. This further complicates any attempt to draw conclusions as to whether observed developments are attributable to those provisions or to broader economic, technological, regulatory or societal changes.

14. Has your organization observed any challenges in the application of the local NOCLAR provisions? *(Please provide details, including specific provisions that caused particular challenges and why, as*

well as any actions taken to address them)

We are not aware of any systematic challenges with the application of local NOCLAR provisions. However, challenges are often highly dependent on the individual facts and circumstances of each case, making it difficult to identify systematic or recurring issues. This difficulty is further compounded by confidentiality considerations, which necessarily limit the information available for broader analysis.

Owing to these inherent difficulties, we do not consider it possible to highlight challenges from the limited information available to us.

15. Has your organization observed any trends where members or accounting firms encountered NOCLAR or suspected NOCLAR but did not apply the local NOCLAR provisions in whole or in part?

- Yes, the provisions were not applied in whole *(Please explain why the provisions were not applied (e.g., lack of evidence for suspected NOCLAR, confidentiality issues, etc.)*
- Yes, the provisions were only partially applied *(Please explain which provisions were not applied, and why (e.g., lack of evidence for suspected NOCLAR, confidentiality issues, etc.)*
- No, not observed

Our organization has not observed any identifiable trends where members or accounting firms encountered NOCLAR or suspected NOCLAR but did not apply the local NOCLAR provisions in whole or in part.

While instances may arise in individual cases where the application of the relevant provisions could be questioned, such cases are highly dependent on their specific facts and circumstances. Moreover, confidentiality considerations and the limited availability of sufficiently comprehensive and representative information make it difficult to identify systematic or recurring patterns in this regard. Furthermore, we are not aware of any empirical study in Germany that systematically examines instances in which members or accounting firms encountered NOCLAR or suspected NOCLAR but did not apply the local provisions in whole or in part.

Owing to the inherent limitations, we do not consider it possible to derive reliable conclusions as to the existence of any broader trends concerning the non-application or partial application of the local NOCLAR provisions.

Other comments

16. From your perspective, what further efforts should IESBA pursue to enhance the effectiveness of implementation of the IESBA NOCLAR provisions globally? *(Please explain your response)*

The NOCLAR provisions remain incompatible with local laws and regulations in many jurisdictions, in particular where professional secrecy and explicit prohibitions on external reporting apply. As a consequence, the effectiveness of NOCLAR provisions cannot be enhanced through additional guidance or outreach alone, as the limitations are structural and legal, not operational.

As mentioned in our response to the recent post-implementation review of the restructured Code, we believe that the Code, including the section on NOCLAR, should undergo a major overhaul to reduce its granularity and make it more principles-based. In our view, this would be key to making the NOCLAR provisions more widely adoptable and capable of consistent implementation globally. As part of such an overhaul, the following key areas for shortening and simplifying the NOCLAR section should be addressed.

I. Use of a "public interest test"

In current Section 360 of the Code, and specifically in paragraphs 360.4(c), R360.13(c), R360.20, R360.21, and R360.36 as well as the disclosure-related provisions in R360.26, the IESBA effectively relies on a "public interest test" to determine whether the professional accountant has acted appropriately and whether further action, including disclosure to an appropriate authority, is required.

The introduction of this test turns standards setting for the profession upside down and is an atrocious precedent that has a destabilizing impact on standards setting more generally. We have absolutely no quarrel with, and fully support, the principle that the raison d'être of the genesis and continued existence of the accountancy profession is its public interest role: we therefore completely support the central role given the public interest in 100.1 of the Code.

However, given the nebulous nature of the concept of "public interest", an individual professional accountant or an accountancy oversight authority is often not in a position to determine whether or not a professional accountant has acted in the public interest in a particular instance, which can lead to audit oversight authorities second-guessing auditors as to what is in the public interest without suitable criteria (standards) to do so. In fact, such "public interest tests" are likely not enforceable or actionable in most jurisdictions of which we are aware.

This issue is not merely theoretical. The courts have repeatedly acknowledged that public interest "does not lend itself to absolute rules," instead relying on contextual factors that vary according to the facts of each case. This uncertainty, however, should not be misunderstood as implying the need for a definition. Public interest is an inherently context-dependent concept. The difficulty therefore lies not in the absence of a definition, but in expecting an inherently evaluative concept to operate as a clear benchmark.Standards setters and the profession issue pronouncements precisely because requirements and guidance are needed to help guide professional accountants in their fulfillment of their public interest role. This implies that standards are written with input from a wide range of stakeholders so that professional accountants are able to fulfill the public interest by applying those standards. There is therefore a presumption (which can be rebutted) that the faithful application of the standards by a professional accountant means that the professional accountant has fulfilled the public interest in the circumstances. Any other presumption would undermine the role that standards and other pronouncements play in the activities of the profession. Hence, the IESBA should recognize that by using the public interest test in such a central way, it undermines the role of standards in providing requirements and guidance as to how professional accountants should fulfill their public interest role.

We consider that the instances where there is a "public interest test" could be removed from the Code as part of a fundamental overhaul to shorten the provisions and make them simpler and more principles-based.

II. Work effort on NOCLAR and lack of distinction in work effort by level of assurance

We believe it is imperative that the IESBA ensures an appropriate alignment of the work efforts required by the Code and the ISAs and other IAASB engagement standards. In fact, the question arises why IESBA should be engaging in standards setting that increases practitioner work effort in engagements performed under IAASB engagement standards at all. In our view, the Code should be overhauled and shortened so that overlaps with IAASB standards are removed, a step that would resolve some of the consequential difficulties described below.

In our view, the reporting required by the Code in relation to NOCLAR (whether to management, those charged with governance, or third parties, such as authorities), has ceased to be derivative reporting (that is, reporting on matters not related to the engagement that have been identified during that engagement without any further investigation), but has become reporting on the basis of some kind of investigation like an assurance engagement. We will address the issues we have identified below for three kinds of engagements: audits, other assurance engagements, and non-assurance engagements. We recognize that in this case there can be a distinction between professional accountants in public practice and those in business (particularly those in management positions), the latter for which further investigation is actually part of their management or senior employee responsibilities.

<u>a) Work effort on NOCLAR in relation to audits</u>

Under ISA 250 (Revised), the auditor's understanding of the laws and regulations is limited to ISA 250 (Revised) paragraph 13 (a general understanding of the legal and regulatory framework applicable to the entity) and ISA 250 (Revised) paragraph 14 (a greater understanding of those laws and regulations generally recognized to have a direct effect on the determination of material amounts and disclosures in the financial statements needed to obtain sufficient appropriate audit evidence regarding compliance therewith). Related application guidance in ISA 250 (Revised) paragraph A12 provides examples of the types of information that may be relevant in this context, indicating that the auditor's understanding would be expected to be of a relatively general nature at this initial stage. Hence the auditor's initial understanding of laws and regulations without a direct effect is limited to ISA 250 (Revised) paragraph 13, rather than the in-depth understanding required by ISA 250 (Revised) paragraph 14. The procedures an auditor is required to perform beyond obtaining a written representation from management are limited, in ISA 250 (Revised) paragraph 15, to laws and regulations that have a direct effect on the financial statements: the auditor need only remain alert for other instances of non-compliance with laws and regulations.

Only when the auditor becomes aware of non-compliance or suspected non-compliance does the auditor have a responsibility under ISA 250 (Revised) paragraph 19 to obtain an understanding of the nature of the act and the circumstances in which it has occurred. The auditor also has the responsibility to obtain further information to evaluate the possible effect on the financial statements — but only insofar as there is a possible effect on the financial statements. ISA 250 (Revised) paragraph 20 then requires the auditor to discuss the matter with management; only if the information provided by management is insufficient and the effect may be material to the financial statements does the auditor need to engage in further action (obtain legal advice, evaluation of impact on rest of audit, etc.). Following on from this, ISA 250 (Revised) paragraph 20 puts the onus firmly on the entity's management and where appropriate those charged with governance to investigate suspected instances of non-compliance and provide to the auditor sufficient information thereon to determine whether to engage in further action.

In contrast, paragraph R360.10 of the IESBA Code proposes the auditor be required to obtain a more comprehensive understanding of the matter by extending the term "matter" to include both acts that have occurred as well as those that may yet occur.

The subsequent requirement to discuss the matter with management and, where appropriate, those charged with governance is set out in paragraphs R360.11 and R360.12, including the objective to clarify the accountant's understanding of the matter and its potential consequences. Additional requirements are added in R360.13 and R360.14 on "addressing the matter". These requirements go beyond ISA 250 (Revised).

The deeper understanding and further actions required by IESBA NOCLAR cover not only laws and regulations that have a direct impact on the financial statements, or non-compliance with laws and regulations that may materially affect the financial statements, but also non-compliance that may give rise to substantial harm to stakeholders, regardless of whether there is a direct effect on the financial statements.

By extending the auditor's considerations beyond the audit objective, the IESBA NOCLAR framework drives the auditor towards performing procedures to obtain an understanding that goes beyond the risk-based approach of ISA 250 (Revised) (that is, directed towards the risk of material misstatement in the financial statements). This raises the question of the underlying risk that such procedures are intended to address.

This implies that any reporting (whether to management, those charged with governance, or third parties) in relation to noncompliance with laws and regulations that have no material impact on the financial statements would no longer be derivative reporting, but reporting based upon some form of investigation through the performance of further procedures.

Hence, the IESBA NOCLAR is requiring auditors to undertake investigations of non-compliance with laws or regulations even when the resulting understanding is irrelevant to the audit in question. This implies that the IESBA is changing the scope of an audit for non-compliance with laws and regulations without any material impact on the financial statements (i.e. matters irrelevant to the audit) to beyond derivative reporting (i.e., the IESBA is seeking some kind of comfort or assurance on NOCLAR).

This concern is reinforced by the PIOB, which has highlighted the potential expansion of the scope of the Code and emphasized that the IESBA's mandate is distinct from, while complementary to, the remit of other standard setters and regulators, and that overlap should be avoided.

We believe that the IESBA should ensure that the nature and extent of understanding for an audit is driven by the needs of the audit – not by a potential need for further action under the Code, including reporting to third parties – but that the understanding required by the audit should form the basis for any further action required by the Code.

<u>b) Work effort on NOCLAR in relation to non-audit assurance engagements</u>

The responsibility to act needs to depend in part on the nature of the engagement. However, in this case what matters is not the audit vs. non-audit distinction, but the nature and extent of information or evidence that the engagement requires to enable the professional accountant in public practice to draw a conclusion, if any, or form an opinion. In this context, we believe that the IESBA has simply adopted aspects of the ISA 250 (Revised) model (in particular aspects of ISA 250 (Revised) from paragraph 19 onwards) to non-audit engagements – and in particular limited assurance engagements – without considering whether they are appropriate in those circumstances, and thereby has extended the scope of those engagements.

This is exemplified through the requirement in IESBA NOCLAR R360.29 to obtain an understanding of a matter (the nature of the matter and the circumstances in which it has occurred or may occur) when actual or suspected NOCLAR is identified.

We would like to point out that a review engagement is based primarily on inquiry and analysis. Hence prior to undertaking his or her own investigation to obtain this understanding, in a review engagement the practitioner makes inquiries of management and where appropriate, those charged with governance prior to needing to perform further procedures. Furthermore, in a review engagement, in these cases a practitioner is required to perform procedures beyond inquiry only if the practitioner becomes aware of matter(s) that causes the practitioner to believe that the financial statements may be materially misstated, and then can be satisfied with the resulting evidence if he or she is able to conclude that the matter(s) is not likely to cause the financial statements to be materially misstated. In contrast, the IESBA NOCLAR R360.30 requires a discussion with management after the practitioner investigates to establish his or her own understanding. In addition, IESBA NOCLAR does not specify what the threshold is for further investigation or action once having discussed the matter with management or those charged with governance. These differences to ISRE 2400 (Revised) also suggest that IESBA NOCLAR requires a work effort beyond that which would be required for derivative report and thereby expands the scope of a review engagement.

Based on this analysis, IESBA has changed the scope of a review to include noncompliance not relevant to the review (i.e., the IESBA is requiring some kind of comfort, assurance or investigation on NOCLAR). The same applies to other reasonable (other than audits) and limited assurance engagements under IAASB engagement standards. The IESBA should therefore consider limiting the required response to derivative reporting, rather than requiring the practitioner to obtain an independent understanding of the matter in all cases, in order to avoid the additional scope of non-audit assurance engagements beyond the IAASB standards.

<u>c) Work effort on NOCLAR in relation to non-assurance engagements</u>

In addition, we note that in a non-assurance engagement, a practitioner has no responsibility to gather evidence to support an opinion or conclusion. To use ISRS 4410 (Revised) on compilation engagements as an example, the practitioner is required to gather only the information needed to draw up the financial statements and to request more information only if the information provided by management is incomplete, inaccurate, or otherwise unsatisfactory for the purposes of drawing up the financial statements. We believe it to be important to point out that by requiring practitioners not performing assurance engagements under R360.29 in the IESBA NOCLAR to obtain an understanding of the nature of the act and circumstances leading to (suspected) non-compliance, the IESBA is in fact requiring an investigation beyond simply requesting more information from management to resolve the matter based on the auditor's extant expertise and knowledge of the circumstances. "Obtaining an understanding" of more than just the entity and its environment and of the applicable financial reporting framework to enable the professional accountant to compile the financial statements is in effect an assurance procedure for the purpose of gathering evidence about the (suspected) non-compliance. In a non-assurance engagement, a professional accountant is entitled to accept information provided by management without further investigation unless, based on the professional accountant's extant knowledge of the circumstances (including any applicable laws and regulations), such information appears incomplete, inaccurate or is otherwise unsatisfactory.

17. Do you have any other comments or specific matters the IESBA should consider as part of this PIR on the IESBA NOCLAR provisions (including on any benefits arising from using the local NOCLAR provisions, or on matters of translation)?

Before drawing conclusions or proposing any changes as part of this PIR, we consider that further evidence gathering is necessary. In particular, we strongly advocate a clearly evidence-based approach, including empirical information, which could be commissioned from respected independent academic sources, on how the NOCLAR provisions are applied in practice across different legal regimes, as well as evidence on both benefits and unintended consequences, especially with regard to legal exposure and information flows. Without such evidence, there is a risk that the PIR conclusions may rely predominantly on conceptual expectations rather than observed practice.

In addition, we reiterate our preference for a joint approach with the IAASB, as already highlighted in our previous comment letters. The NOCLAR provisions continue to have potential implications for the nature, scope and perception of audits and other assurance and non-assurance engagements. In our view, these implications have not yet been sufficiently analyzed, in particular due to the lack of a differentiated assessment across different types of engagements (for example, statutory versus voluntary audits, or PIE versus non-PIE engagements). As a result, the current analysis may remain incomplete.

A joint approach between the IESBA and the IAASB would therefore be beneficial. Such cooperation would help ensure consistency across ethical and auditing standards, support proportionality, and strengthen the legal robustness of any resulting changes. It would also reduce the risk of unintended consequences for IAASB engagement standards and their practical application.

In line with our previous comments in relation to the PIR for the restructured code, we see significant potential for reducing the length and granularity of the Code and the sections on NOCLAR are a prime example of this potential. Eliminating overlaps with IAASB standards, removing ill-defined and misguided requirements referring to the public interest, and following consistent drafting procedures would enable the NOCLAR provisions to be shorter, simpler, more principles-based and, ultimately, globally adoptable.

Part D – Regulators or Oversight Bodies

Adoption status and effective date

Note:

Adoption (full or with modifications) refers to the formal acceptance and incorporation of the IESBA standards into a jurisdiction's national laws, regulations or professional requirements.

Convergence is where a jurisdiction aligns its national ethics (including independence) standards or provisions with the IESBA standards through a process that seeks to eliminate or minimize differences between the IESBA and national standards or provisions. This includes a process where an IESBA standard is used as a basis to develop the local standard or provisions.

4. Has your organization adopted the NOCLAR provisions of the Code (IESBA NOCLAR provisions)? *(Please choose the most representative answer*)

   (a) Yes, with no modifications *(Please (provide (i) information on the effective date and (ii) links to the local NOCLAR provisions or the specific announcement of the adoption or issuance of the local NOCLAR provisions)*

   (b) Yes, with modifications *(Please (i) describe the nature of, and reasons for the modifications, (ii) provide information on the effective date, and (iii) provide links to the local NOCLAR provisions or the specific announcement of the adoption or issuance of the local NOCLAR provisions)*

   (c) No, but the local NOCLAR provisions are converged with the IESBA NOCLAR provisions

(Please (i) provide information on the effective date, (ii) provide links to the local NOCLAR provisions or the specific announcement of the issuance of the local NOCLAR provisions, and (iii) describe any significant differences between the local NOCLAR provisions and the IESBA NOCLAR provisions)

(d) No, there are provisions in relevant law or regulation or a different ethical framework that address NOCLAR *(Please describe any significant differences between the relevant law or regulation or ethical framework and the IESBA NOCLAR provisions)*

(e) Not adopted *(Please specify reasons. If there is a plan to adopt the IESBA NOCLAR provisions, please* provide *details including timing)*

If you have answered (a), (b) or (c), were the IESBA NOCLAR provisions translated into the local NOCLAR provisions? If yes, please indicate the language of translation.

Guidance and educational materials

5. What guidance or educational materials has your organization issued, or what programs has your organization developed, to support understanding of the local NOCLAR provisions in your jurisdiction? (*Select all that apply and provide links*)

   - Technical guidance (e.g., FAQs)
   - Education/training programs (e.g., webinars, CPD programs)
   - Articles, publications or newsletters (e.g., updates about standards, case studies or illustrative examples)
   - Other *(Please specify)*
   - None

Other support

6. Does your organization provide guidance to individual professional accountants or accounting firms in the application of the local NOCLAR provisions if they seek such assistance, e.g., in dealing with a NOCLAR matter? (*Select all that apply)*

   - Ethics hotline or equivalent(e.g., for technical queries, application questions on the local NOCLAR provisions)
   - Discussion forum (e.g., for sharing knowledge)
   - Whistleblower hotline (e.g., to report actual or suspected NOCLAR)
   - Other (Please specify)
   - None

Inquiries and questions

7. Which specific provisions in the local NOCLAR provisions has your organization commonly received inquiries or questions about? *(Please provide details including which stakeholder groups the inquires or questions arose)*

Level of understanding

8. Do the professional accountants or accounting firms that your organization regulates or oversees have an overall understanding of the local NOCLAR provisions? *(Please explain the basis for your response, including how your organization evaluates the overall understanding of the local NOCLAR provisions by professional accountants or accounting firms you regulate or oversee)*

   - Yes
   - Somewhat
   - No
   - Not known or no data available

Enforcement

9. Does your organization enforce the local NOCLAR provisions?

   - Yes (*Please specify (i) when enforcement started, provide (ii) details such as disciplinary cases against professional accountants/accounting firms (information may be anonymized if not public), and (iii) links to relevant published reports*)
   - No (*Please specify (i) why your organization does not enforce the local NOCLAR provisions, (ii) which organization enforces the local NOCLAR provisions, and (ii) whether your organization receives reports from them*)

Authority to investigate

10. Does your organization have the authority to investigate NOCLAR or suspected NOCLAR that is reported to it and take any necessary action?

    - Yes *(Please provide details, including the (i) nature of the NOCLAR matters that have been reported to your organization, and the (ii) actions taken (the information may be anonymized if not public))*
    - No

Legal protection

11. In your jurisdiction, does legislation or regulation exist (e.g., under whistleblowing laws or regulations) that provides protection from civil, criminal, or professional liability, or from retaliation, when NOCLAR or suspected NOCLAR is disclosed to an appropriate authority? Please provide details.

    If yes, is the protection under the relevant law and regulation perceived to be effective? Please explain your response.

Observed outcomes (benefits and challenges)

12. Has your organization observed any trend in instances of NOCLAR reported or escalated?

    If so, please describe the trend and indicate the period for which this trend has been observed, as well as the general nature of the NOCLAR commonly observed.

13. Based on your organization's observations, has the application of the local NOCLAR provisions been effective in deterring the commission of NOCLAR, or rectifying, remediating or mitigating the consequences of NOCLAR? (*Please explain the basis for your response and provide any relevant details including any supporting materials or reports*)

14. Has your organization observed any challenges in the application of the local NOCLAR provisions? *(Please provide details, including specific provisions that caused particular challenges and why, as well as any action taken to address them)*

15. Has your organization observed any trends where professional accountants or accounting firms your organization oversees encountered NOCLAR or suspected NOCLAR but did not apply the local NOCLAR provisions in whole or in part?

    - Yes, the provisions were not applied in whole *(Please explain why the provisions were not applied (e.g., lack of evidence for suspected NOCLAR, confidentiality issues, etc.)*
    - Yes, the provisions were only partially applied *(Please explain which provisions were not applied, and why (e.g., lack of evidence for suspected NOCLAR, confidentiality issues, etc.)*
    - No, not observed.

Other comments

16. From your perspective, what further efforts should IESBA pursue to enhance the effectiveness of implementation of the IESBA NOCLAR provisions globally? *(Please explain your response)*

17. Do you have any other comments or specific matters the IESBA should consider as part of this PIR on the IESBA NOCLAR provisions (including on any benefits arising from using the local NOCLAR provisions, or on matters of translation)?

Part E – Accounting Firms or individual PAPPs

Adoption status and effective date

> *Note:*
>
> *Adoption (full or with modifications) refers to the formal acceptance and incorporation of the IESBA standards into a jurisdiction's national laws, regulations or professional requirements or, if your firm belongs to a network, your network's policies and methodologies.*
>
> *Convergence is where a jurisdiction aligns its national ethics (including independence) standards with the IESBA standards through a process that seeks to eliminate or minimize differences between the IESBA and national standards or provisions. This includes a process where an IESBA standard is used as a basis to develop the local standards or provisions.*

4. Has your firm implemented global, regional or local policies and methodologies that adopt the NOCLAR provisions of the Code (IESBA NOCLAR provisions) or the locally adopted version of the IESBA NOCLAR provisions, as applicable? *(Please choose the most representative answer*)

   (a) Yes, through full adoption with no modifications *(Please provide (i) information on the effective date and (ii) details of your firm's NOCLAR policies and methodologies)*

   (b) Yes, through adoption with modifications *(Please (i) describe the nature of, and reasons for the modifications, (ii) provide information on the effective date and (iii) provide details of your firm's NOCLAR policies and methodologies)*

   (c) No, our firm's policies and methodologies implement local NOCLAR provisions that are converged with the IESBA NOCLAR provisions *(Please (i) provide information on the effective date, (ii) provide details of your firm's NOCLAR policies and methodologies, and (iii) describe any significant differences between your firm's NOCLAR policies and methodologies and the IESBA NOCLAR provisions)*

   (d) No, our firm's policies and methodologies are based on law or regulation or a different ethical framework that address NOCLAR *(Please describe any significant differences between your firm's NOCLAR policies and methodologies and the IESBA NOCLAR provisions)*

   (e) Not adopted *(Please specify reasons. If there is a plan to adopt the IESBA or local NOCLAR provisions, please provide details, including timing)*

   If you have answered (a), (b) or (c), were the IESBA NOCLAR provisions translated into the local NOCLAR provisions? If yes, please indicate the language of translation.

5. This question is for global networks.

   Where an individual firm is part of a global network and the network has adopted the IESBA NOCLAR provisions, how are these provisions implemented across network firms in the following situations:

   - The jurisdiction in which the individual firm is based has not adopted the IESBA NOCLAR provisions *(Please describe the circumstances and how this interacts with the network policies)*

- The jurisdiction in which the individual firm is based has provisions in relevant law or regulation or another ethical framework that address NOCLAR *(Please describe the circumstances and how this interacts with the network policies)*

Guidance and Educational Materials

6. What guidance or educational materials has your firm or network issued, or what programs has your firm or network developed, to support understanding of the NOCLAR policies and methodologies of the firm or network? (*Select all that apply and provide links*)

   - Technical guidance (e.g., FAQs)
   - Education/training programs (e.g., webinars)
   - Articles, publications or newsletters (e.g., updates about standards, case studies or illustrative examples)
   - Other *(Please specify)*
   - None

Other support

7. If your firm is part of a network, does the network provide guidance to network firms in the application of the network's NOCLAR policies and methodologies? *(Select all that apply)*

   - Ethics hotline or equivalent(e.g., for technical queries, application questions on the network's NOCLAR policies and methodologies)
   - Discussion forum (e.g., knowledge sharing)
   - Other *(Please specify)*
   - None

Level of understanding by auditors

8. Do audit partners and staff within your firm have an overall understanding of your firm's NOCLAR policies and methodologies? *(Please explain the basis for your response, including how your organization evaluates the overall understanding of the local NOCLAR provisions by its audit personnel)*

   - Yes
   - Somewhat
   - No
   - Not known or no data available

Level of understanding by non-auditors (i.e., consulting/advisory)

9. Do non-audit partners and staff within your firm have an overall understanding of your firm's NOCLAR policies and methodologies? *(Please explain the basis for your response, including how your organization evaluates the overall understanding of the local NOCLAR provisions by its non-audit personnel)*

- Yes
- Somewhat
- No
- Not known or no data available

Practical experience (benefits and challenges)

10. Have you or your firm encountered any NOCLAR or suspected NOCLAR (i) at a client, or (ii) within the firm?
    - Yes, *(Where possible, please provide details such as (i) general nature of the NOCLAR or suspected NOCLAR, (ii) whether the client was an audit or non-audit client, (iii) to whom it was communicated, and (iv) how the matter has been addressed (information provided may be anonymized))*
    - No
11. Have you or your firm observed any trend in instances of NOCLAR reported or escalated?

    If so, please describe the trend and indicate the period for which this trend has been observed, as well as the general nature of the NOCLAR commonly observed.
12. What benefits have you or your firm experienced as a result of the implementation of its NOCLAR policies and methodologies? *(Please explain the basis for your response, e.g., do partners and staff feel better equipped to hold a conversation on a NOCLAR matter with their client; the standard helpful in guiding partners and staff as to how to respond to a NOCLAR or suspected NOCLAR matter?)*
13. Which aspects of the IESBA NOCLAR provisions or the local NOCLAR provisions has your firm found most challenging to apply when responding to a NOCLAR or suspected NOCLAR? *(Please provide details, including whether the challenges were for (i) audit partners and staff, and (ii) non-audit partners and staff)*
14. Has your firm's whistleblowing policy been used by personnel within the firm to respond to a NOCLAR or suspected NOCLAR? If so, why was this used instead of escalating the matter to a supervisor or above? *(Please provide details (information provided may be anonymized))*

Legal protection

15. In your jurisdiction, does legislation or regulation exist (e.g., under whistleblowing laws or regulations) that provides protection from civil, criminal, or professional liability, or from retaliation, when NOCLAR or suspected NOCLAR is disclosed to an appropriate authority? Please provide details.

    If yes, is the protection under the relevant law and regulation perceived to be effective? *(Please explain your response)*

Other comments

16. From your perspective, what further efforts should IESBA pursue to enhance the effectiveness of implementation of the IESBA NOCLAR provisions globally? *(Please explain your response)*
17. Do you have any other comments or specific matters the IESBA should consider as part of this PIR

on the IESBA NOCLAR provisions (including on matters of translation)?

Part F – Professional Accountants in Business (PAIBs)

This section refers to the "local NOCLAR provisions" issued by your professional accountancy organization, a regulator or the local standard setter responsible for promulgating ethics standards for PAIBs, where those local provisions are based on the NOCLAR provisions in the IESBA Code.

Guidance and educational materials

4. What guidance or educational materials have you received or accessed on the local NOCLAR provisions? (*Select all that apply and provide links*)
    - Technical guidance (e.g., FAQs)
    - Education/training programs (e.g., webinars, CPD programs)
    - Articles, publications or newsletters (e.g., updates about standards, case studies or illustrative examples)
    - Other *(Please specify)*
    - None
5. From which organizations have you received guidance or educational materials on the local NOCLAR provisions? *(Select all that apply)*
    - Professional Accounting Organization (PAO)
    - Regulator or oversight body
    - Accounting firms
    - Other
    - None

Other support

6. Do you have access to guidance on the application of the local NOCLAR provisions if you seek such assistance, e.g., in dealing with a NOCLAR or suspected NOCLAR? (*Select all that apply)*
    - Ethics hotline or equivalent (e.g., for technical queries, application questions on the local NOCLAR provisions)
    - Discussion forum (e.g., for sharing knowledge)
    - Whistleblower hotline (e.g., to report actual or suspected NOCLAR)
    - Other *(Please specify)*
    - None

Inquiries and questions

7. Which specific provisions in the local NOCLAR provisions have you inquired or raised questions about? *(Please provide details)*

Integration into internal framework

8. Has your employing organization made changes to its governance mechanisms, ethics policies and procedures, or internal code of conduct in response to the issuance of the local NOCLAR provisions?
   - Yes *(Please describe)*
   - No
   - Not known

Level of understanding

9. Do you have an overall understanding of the local NOCLAR provisions?
   - Yes
   - Somewhat
   - No

Practical experience (benefits and challenges)

10. Have you encountered any NOCLAR or suspected NOCLAR in your work?
    - Yes, *(Where possible, please provide details such as (i) general nature of the NOCLAR, (ii) to whom it was communicated, and (iii) how the matter has been addressed (information provided may be anonymized))*
    - No

11. What benefits have you experienced as a result of the application of the local NOCLAR provisions? *(Please explain the basis for your response, e.g., you feel better equipped to hold a conversation on a NOCLAR matter with management or those charged with governance of your employing organization; the standard was helpful in guiding you as to how to respond to a NOCLAR or suspected NOCLAR matter?)*

12. Which of the local NOCLAR provisions have you found most challenging to apply when responding to a NOCLAR or suspected NOCLAR? (*Please provide details)*

13. Have you used your employing organization's whistleblowing policy in responding to a NOCLAR or suspected NOCLAR? If so, why did you use this whistleblowing policy instead of escalating the matter to a supervisor or above? *(Please provide details (information provided may be anonymized))*

Legal protection

14. In your jurisdiction, does legislation or regulation exist (e.g., under whistleblowing laws or regulations) that provides protection from civil, criminal, or professional liability, or from retaliation, when NOCLAR or suspected NOCLAR is disclosed to an appropriate authority? Please provide details.

    If yes, is the protection under the relevant law and regulation perceived to be effective? Please explain your response.

Other comments

15. From your perspective, what further efforts should IESBA pursue to enhance the effectiveness of

implementation of the IESBA NOCLAR provisions globally? *(Please explain your response)*

16. Do you have any other comments or specific matters the IESBA should consider as part of this PIR on the IESBA NOCLAR provisions (including on any benefits arising from using the local NOCLAR provisions)?

Part G – Other Users or Beneficiaries of the Code

4. *This section refers to the "local NOCLAR provisions" issued by the local professional accountancy organization, a regulator or the local standard setter responsible for promulgating ethics standards for PAPPs and/or PAIBs, where those local provisions are based on the NOCLAR provisions in the IESBA Code.* Has implementation of the local NOCLAR provisions enhanced your confidence in professional accountants and accounting firms responding to NOCLAR or suspected NOCLAR? *(Please explain your response)*

5. From your perspective, what further efforts should IESBA pursue to enhance the effectiveness of implementation of the IESBA NOCLAR provisions globally? *(Please explain your response)*

6. In your jurisdiction, does legislation or regulation exist (e.g., under whistleblowing laws or regulations) that provides protection from civil, criminal, or professional liability, or from retaliation, when NOCLAR or suspected NOCLAR is disclosed to an appropriate authority? (*Please provide details*)

   If yes, is the protection under the relevant law or regulation perceived to be effective? *(Please explain your response)*

7. Do you have any other comments or specific matters the IESBA should consider as part of this PIR on the IESBA NOCLAR provisions?

End of survey

Thank you for your valuable input. Your input will inform the IESBA's Post-Implementation Review and help the IESBA develop clear, robust and practical ethics standards that reinforce public trust in the profession and effectively serve the public interest.