

August 5, 2024

Sent by email: [BruceVivian@ifac.org](mailto:BruceVivian@ifac.org)

Mr. Bruce Vivian  
International Federation of Accountants  
529 5th Avenue  
New York, New York 10017

Dear Bruce,

**Re: Exposure Draft (ED) of Proposed Revisions to *International Education Standards IES 2, 3 and 4 – Sustainability***

On behalf of the Global Accounting Alliance (GAA), I am writing in response to the International Federation of Accountants request for comment on the above ED.

***About the GAA***

The GAA was formed in November 2005 and serves as a forum for 10 leading professional accountancy bodies representing 1,400,000 members in over 180 countries around the globe. Professional accountants play an important role in global capital markets, helping organizations meet the evolving information needs of investors and other stakeholders, including on environmental, social, and governance (ESG) issues.

The GAA's purpose is to serve the public interest by leading the advancement of a high-quality accounting profession by sharing information, and collaborating, among GAA members, and advocating on international issues important to the profession.

The GAA's members include the following professional accountancy bodies:

- Association of International Certified Professional Accountants
- Chartered Accountants Australia and New Zealand
- Chartered Accountants Ireland
- Chartered Professional Accountants of Canada
- Hong Kong Institute of Certified Public Accountants
- Institut der Wirtschaftsprüfer in Deutschland e.V.
- Institute of Chartered Accountants in England and Wales
- Institute of Chartered Accountants of Scotland
- Japanese Institute of Certified Public Accountants
- South African Institute of Chartered Accountants

The GAA, its member bodies, as you would certainly appreciate, are deeply involved in the professional development of accountants across each of the areas of technical competence, professional skills and professional attributes. Moreover, with regards the underlying subject matter giving rise to the proposals, the GAA and its member bodies are proactively engaged in many of the dimensions of sustainability in terms of both driving positive change and ensuring

the ongoing prominent position of the accountancy profession. Although the GAA believes it would not be appropriate to duplicate its members' input into the IFAC's request for comments, I would like to raise a number of specific issues, which all the GAA member institutes agree should be considered by IFAC:

- Given the pervasive character of sustainability as economic, market, environmental and social phenomena, it is almost self-evident that it be embedded into initial professional development. Nevertheless, I urge caution in both the current proposed and potential future amendment of the international education standards. An integrated approach which addresses the multiple roles of accountants in both current and potential 'touch points' with sustainability subject matter should assist in supporting and enhancing the relevance of the profession, and at the same time avoid risk of fragmentation of the standards as novel themes emerge over time.
- Similarly, there are challenges in striking appropriate balance across the learning outcomes addressed in each of IES 2, 3 and 4, and setting the level of required proficiency accordingly. Without pointing to specifics, which I have indicated are more the domain of individual GAA member's responses, I do note that in relation to technical competencies the impact of sustainability is both evolving and expanding. And with regards professional skills and the complementary attributes of values, ethics and attitudes, appropriate response to the challenges and opportunities posed by sustainability do require significant re-learning within organizations. The opportunities for the accounting profession are significant and I believe monitoring any implementation of the proposed changes to the education standards is essential.
- Concerning the proposed introduction of a (sustainability-related) assurance competence area, I believe this is both appropriate and timely. Again, the dynamics of change and complexity will, I urge, need to be monitored on an ongoing basis. While finalization and release of ISSA 5000 by the IAASB is understood to be imminent, application at jurisdictional levels is yet to be fully determined, as too is the reach of subject matter subject to assurance.
- The GAA members will have individually mentioned a range of terms warranting definition and/ clarification and will have in some instances suggested text edits. One however which I highlight though is 'systems thinking'. Its function in a sustainability-related accounting context warrants elaboration to both avoid ambiguity and to give suitable clarity for those individual accountants likely less familiar with the concept.
- Consistent across GAA member views is concern as to challenges in practical implementation along with the apparent short timeframe. Sustainability-related framework development, standard setting and regulatory response/ oversight continues to evolve rapidly. Underlying all of which are necessary developments in technical application. The GAA members operate at a critical point in the delivery of education to a profession fundamental to the economic, environmental and social transformations which underly sustainability. Careful considerations will need to be given to curriculum content and prioritization to reflect contemporary developments, ensure effective delivery while appropriately dovetailing with education/ tertiary institutions. The proposed revisions to the international education standards should not be treated as 'set-and-forget' and I therefore urge IFAC to work closely with its constituency of PAOs to appropriately respond in terms of both timeframes and resourcing which reflect the nature of the changes which are in motion.

I wish you every success in finalizing the proposed revisions to *International Education Standards* IES 2, 3 and 4 as this will be a key response complementary to the numerous

sustainability driven developments both impacting accountants and for which accounting is a key component in successful outcomes.

If you have any questions or would like to further discuss any issues, please do not hesitate to contact me at [Jim.Knafo@aicpa-cima.com](mailto:Jim.Knafo@aicpa-cima.com).

Yours sincerely,

A handwritten signature in cursive script that reads "Jim Knafo".

**Jim Knafo CPA CA CGMA**  
Chief Executive Officer  
Global Accounting Alliance