ICAEW
REPRESENTATION 59/26

IESBA POST-IMPLEMENTATION REVIEW (PIR) SURVEY RESPONDING TO NON-COMPLIANCE WITH LAWS AND REGULATIONS (NOCLAR)

Issued 28 July 2026

ICAEW welcomes the opportunity to comment on the *Post Implementation Review (PIR) of the Non-Compliance with Laws and Regulations NOCLAR* published by the International Ethics Standards Board for Accountants (IESBA) on April 1, 2026, a copy of which is available from this link.

Chartered accountants are talented, ethical and committed professionals. ICAEW represents more than 211,600 members and students around the world. 81 of the top 100 global brands employ ICAEW Chartered Accountants. 82% of FTSE 100 companies have an ICAEW member on their board. Founded in 1880, ICAEW has a long history of serving the public interest and we continue to work with governments, regulators and business leaders globally. And, as a world-leading improvement regulator, we supervise and monitor more than 11,500 firms, holding them, and all ICAEW members and students, to the highest standards of professional competency and conduct.

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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

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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 (to the extent that our members work globally)
- Single jurisdiction *(Please specify)* **England and Wales**

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.*

- PAOs **(Complete Part C)** *(Please indicate whether your members are PAPPs and/or PAIBs)*

  ICAEW members include Professional Accountants in Public Practice, Professional Accountants in Business and Accounting and Audit Firms.

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ICAEW is a regulator for some services (including legal services under the UK Legal Services Act 2007) However, we have chosen not to complete Part D as our answers to the questions are the same as in this Part C.

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])

  Institute of Chartered Accountants in England and Wales (ICAEW)

- Your name and job title / role

  David Gomez (Senior Adviser, Ethics)

- Your email address

  David.Gomez@icaew.com

- Your jurisdiction

  England and Wales

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*)

- **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)*

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  Code of Ethics Effective Date: 1 January 2020

  ICAEW Code of Ethics | Ethics | Technical | ICAEW

  Insolvency Code Effective Date: 1 May 2020

  Insolvency Code of Ethics | ICAEW

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.

[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.

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Not Applicable

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)

  Guidance on NOCLAR | ICAEW

  Non-compliance provisions in the Insolvency Code of Ethics (NOCLAR) | ICAEW

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

  'Whistle blowing' and 'Speaking up' | ICAEW

  Global Ethics Day 2025 - Whistleblowing International Network

- Articles, publications or newsletters (e.g., updates about standards, case studies or illustrative examples)

  Not scared to snitch: whistleblowing advice for accountants | ICAEW

  Why whistleblowing is a requirement – not a choice – for accountants | ICAEW

- Other *(Resources on the wider topic of "whistleblowing")*

  Applying the building blocks of ethical culture | ICAEW

  Behind the Numbers: Should we compensate whistleblowers?

  Why the tone of whistleblowing policies matters | ICAEW

  The four elements of effective whistleblowing culture | ICAEW

  How should CFOs handle a report of unethical behavior? | ICAEW

  How to deal with a whistleblowing complaint | ICAEW

  The problem with whistleblowing and how internal audit might be a force for change | ICAEW

- None

Other support

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)

  ICAEW's Ethics Advisory Service provides a hotline and webchat confidential advice and support

  Technical and ethics support | ICAEW

Inquiries and questions

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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)*

Feedback from the Ethics Advisory Service and call handlers is that member do not tend to ring up with specific queries about the NOCLAR provisions of the Code. Rather, they contact the Advisory Service with concerns, and the call handlers draw attention to NOCLAR provisions where relevant. In such circumstances, the following sections are often discussed:

Section 260.4 sets the objectives for the member, so it is helpful to frame the conversation about expected behaviors and next steps. Section 260.9 onwards – we point members here to provide a road map when they are faced with situations that make them uncomfortable or where they are not sure how to respond. This is the go-to section for members in business, and members in practice who are considering the activities within the practice.

Section 260.18 (including A1 & A2) – is useful to frame next steps. Often members are not able to go beyond their employing organisation because the public interest threshold is not met so they remain bound by their duty of confidentiality to their employer.

Section 260.20 A1 – A3 - Members in business are often looking for more guidance on whether they should approach the company auditors to share information / concerns.

Further guidance on what information can be disclosed, and when, would be useful. It might be appropriate for IESBA to consider incorporating a clear safe-harbour for employees seeking to raise any potential concerns with external auditor, regardless of the public interest threshold.

In terms of most frequent inquiries, we often get questions about when a member is "safe" to breach confidentiality, and whether there is "enough" of a public interest to enable them to raise a concern. We are also often asked "what is an appropriate authority"?

Guidance on these points would be useful.

Our helpline deals with section 360 less frequently. This tends to be because where a situation relates to potential fraud, we would look to guidance on making Suspicious Activity Reports under UK Economic Crime legislation, rather than NOCLAR in terms of response.

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)*

- Not known or no data available

ICAEW expects members to ensure that they are familiar with the Code of Ethics and the NOCLAR provisions, and requires members to undertake ethics CPD each year.
In general, however, larger firms in the profession will have access to specialist ethics teams and will seek their own legal advice when appropriate. Members in smaller firms are more likely to reach out to ICAEW who can highlight the NOCLAR provisions and recommend that members obtain legal advice on their concerns, where appropriate.
ICAEW continues to promote the general professional duty to speak up, and to comply with specific duties under AML/economic crime and financial sector legislation (such as the duty to make a Suspicious Activity Report to Regulators).

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*)

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- 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*)

From a disciplinary perspective, ICAEW does not ordinarily categorize cases as "NOCLAR cases" or bring proceedings on the basis of a breach of this provision of the Code of Ethics.

Where NOCLAR is alleged, charges are brought on the basis of any criminal convictions; or drafted by reference to underlying legislation (such as AML legislation), as a breach of the ICAEW disciplinary Bye Laws (Rule 4) ICAEW Disciplinary Bye-laws effective 1 January 2026

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?

- No

ICAEW is not a "prescribed person" or "prescribed body" to whom protected disclosures may be made for the purposes of UK Whistleblowing legislation. Whistleblowing: list of prescribed people and bodies - GOV.UK

Under ICAEW's Disciplinary Bye-laws, all members have a duty to report any event which may indicate that they and/or another member, firm affiliate or 'relevant person' may be liable to disciplinary action by the ICAEW Conduct Department. Such events may include breaches of the fundamental principle of Professional Behavior, and failure to comply with relevant laws and regulations. Guidance on your duty to report misconduct | ICAEW

In such circumstances, investigations may be commenced by ICAEW against the member who has been reported to it.

However, there is no free-standing general duty on ICAEW to refer the underlying non-compliance issue to another regulator or Government Authority.

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.

Yes. The relevant UK legislation is the Public Interest Disclosure Act 1998

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

There remain relatively few public examples of good "whistleblowing" outcomes in the UK.

In July 2025, the UK Government published a report on the effectiveness of the whistleblowing framework. The report was prepared by Grant Thornton and is available at this link:

Review of the whistleblowing framework in Great Britain - GOV.UK

The report highlighted concerns about legal terms and definitions used in the legislation; concerns about the effectiveness of internal frameworks adopted by organisations; variations in practice adopted by bodies listed as "prescribed persons" to whom protected disclosures should be made"; and the limited avenues for redress outside the Employment Tribunal route.

It is also fair to note that the UK Employment Tribunal service is currently facing severe challenges with long waiting times and case backlogs.

Some UK Regulators (including HMRC, the Financial Conduct Authority and Serious Fraud

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Office) are exploring the potential for incentivising whistleblowers to report wrong-doing.

UK employment law is changing to remove the limit on the amount of compensation payable as damages for wrongful termination of employment. The current limit is £100,000. From January 2027, this limit will be removed.

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.

Anecdotal feedback from ICAEW's Ethics Advisory Service indicates that concerns about NOCLAR tend to be raised with the service by individuals who have recently joined an entity and are bringing a fresh pair of eyes to established procedures and practices in their new organisation. Some call handlers have noted that concerns are often raised by members in business who are around 30-40 years old. The working assumption is that such individuals have enough experience to note when things are "not right" and may be in a sufficiently strong position in their careers to feel that they could / should raise concerns.

The view of call handlers is that they have noticed a shift in callers seeking initial guidance on whether an issue is a potential concern to be explored or reported, towards callers being very clear about the merits, and seeking advice on the most appropriate resolution.

Some of our members have noted an increase over the last 18 months in inquiries seeking to address historical non-compliance.

These include organisations regulated by the UK Financial Conduct Authority (FCA) seeking advice because they have been told by the FCA that they need a "CASS-5 audit"[2]; and SME's seeking assistance to rectify issues of non-compliance with UK Extended Producer Packaging Regulations.

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*)

We are not able to respond definitely to this question.

The drivers behind non-compliance with laws and regulations are complex and varied. It is acknowledged that economic crime and fraud is generally under reported.

It is difficult to assess what weight should be given to the effect of the NOCLAR provisions alone. They must be seen, at least in the UK, alongside a range of legislative measures concerning economic crime and anti-corruption; and auditing standards such as ISA 240. The UK economic crime legislation is evolving to create a more potent deterrent effect.

The effectiveness of the NOCLAR provisions must also be seen in the wider context of the effectiveness of domestic "whistleblowing" protection for those who do speak up.

ICAEW continues to highlight and promote the importance of speaking up to its membership.

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)*

[2] Rule SUP 3.10 5R of the FCA Handbook requires Designated Investment Firms that hold client money and/or custody assets in relation to their regulated activities, to undertake a "CASS" audit which is designed to assess compliance with client money rules, strengthen governance arrangements and support effective regulatory oversight.

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Anecdotal feedback from the Ethics Advisory helpline is that members often feel that they are in a very difficult situation when they encounter instances of potential NOCLAR; grappling with conflicting expectations of confidentiality and increasing frustration when corrective actions do not appear to be taken swiftly by the management in their organisations. There is a significant personal cost to "whistleblowing"; and further guidance on how to balance judgements, manage these potential conflicts and to reach a decision in the public interest, might be useful for professional accountants.

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?

- No, not observed

ICAEW is not a "prescribed authority" for the purposes of receiving protected disclosures under UK "whistleblowing" legislation.

From a disciplinary perspective, ICAEW does not ordinarily categorize cases as "NOCLAR cases" or bring proceedings on the basis of a breach of this provision of the Code of Ethics.

Where NOCLAR is alleged, charges are brought on the basis of any criminal convictions; or drafted by reference to underlying legislation (such as AML legislation), as a breach of the ICAEW disciplinary Bye Laws (Rule 4) ICAEW Disciplinary Bye-laws effective 1 January 2026

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)?

Feedback from some of our members is that the NOCLAR provisions could be given more prominence and signposting in the Code of Ethics.

Members have also suggested that the provisions could be brought to life with illustrative examples, and that further practical guidance/non-authoritative material (in a separate document outside the Code) might be helpful, to allow a more detailed understanding of this important topic.

Such a document might usefully include a comparison of local approaches to the implementation of NOCLAR, to provide assistance for professional accounts who act for global entities and organisations operating in different jurisdictions.

IESBA may wish to consider promoting the importance of NOCLAR in other formats, such as via Podcasts and short form videos.

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.

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