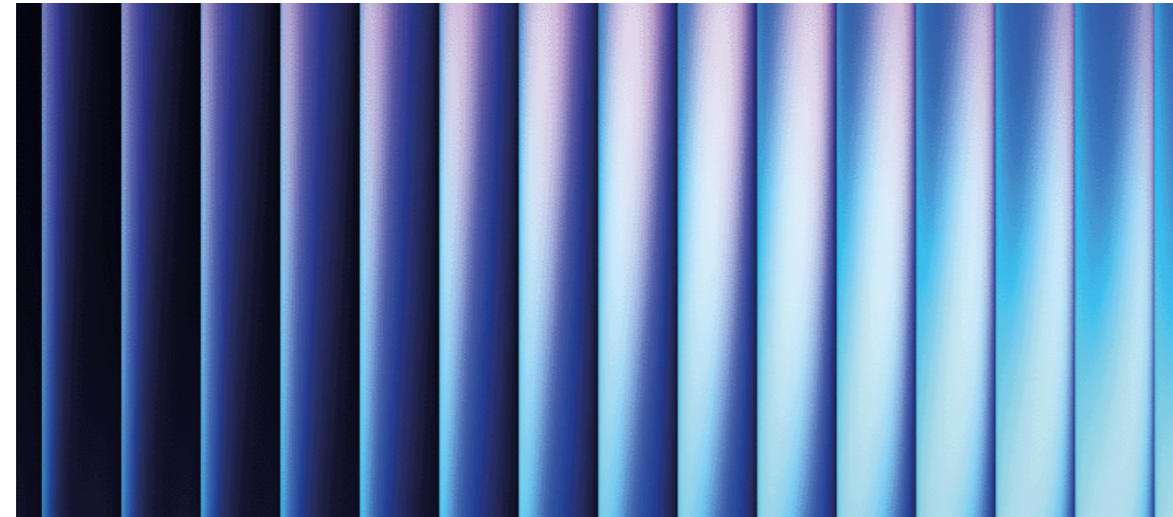

Global Outlook for Independent Mid-sized Accountancy Firms

Navigating a fragmented world



EXECUTIVE SUMMARY

The global environment that mid-sized accounting, audit and tax firms must navigate is no longer shaped by steady globalisation or predictable regulation. Instead, it is defined by fragmentation. Markets that once moved in parallel now pull apart. Rules that were written to harmonise behaviour diverge. Investment flows shift direction without warning. Technology solutions are accelerating faster than organisations can absorb. The result is a world that feels restless, uneven and increasingly dependent on human judgement.

Across Praxity, leaders describe the same landscape but from different vantage points. Independence is under closer scrutiny everywhere, though the source of that scrutiny changes from region to region. Talent models are being reshaped in profound ways as automation takes over the traditional training ground. Technology is becoming a backbone rather than a set of tools.

Cross-border advisory work is growing more complicated and more essential at the same time. What unites these forces is the pressure they place on firms to respond quickly, to consistently adapt and to stay connected to one another as conditions shift.

The next two years will not reward size alone. They will reward clarity; relationships grounded in trust and the ability to deliver work that is both technically sound and deeply human. These are the strengths that have long characterised mid-tier firms, and they are now becoming the qualities that clients depend on most.

Our thought leadership report outlines the key action plan to address the many and varied aspects to insulating your firm for the uncertainty that will no doubt shape the next 24 months.

Key Action Points

Rebuild your people model around the middle

The shift from a traditional pyramid-shaped workforce to a more diamond-shaped model is accelerating and may morph into an upside-down pyramid in the future. Building strength across the middle layer will help firms stay resilient through ongoing digital transformation. Midlevel professionals bring the experience, judgement and advisory skill that cannot be automated, making this segment critical to sustaining quality and insight.

Turn junior tech fluency into accelerated business judgement

New entrants to the profession arrive with strong digital fluency and an ability to adapt quickly to technology-led workflows. With the right support, this fluency can be channelled into developing business acumen, creative insight and sound judgement. Training models should evolve to reflect how digital natives learn, including simulated audit environments, toolintegrated learning pathways and earlier exposure to real analytical decision-making.

Build a tech adoption governance framework

Clear guardrails and defined risk tolerance are essential to any successful transformation effort. Firms should establish a robust governance framework that sets boundaries for responsible AI and technology use, ensures consistent oversight and helps teams demonstrate sufficient caution while still capturing commercial opportunity. Good governance should enable innovation, not restrict it.

Make independence a client visible advantage

With private equity investment and increasingly complex ownership structures becoming more common, transparency around conflicts of interest is more important than ever, for clients and regulators alike. An independent operating model is emerging as a clear competitive advantage. By communicating independence safeguards openly, firms can turn this strength into a visible differentiator.

Use an independent alliance as a real time resource pool

Clients continue to operate globally, and crossborder work remains a core requirement. Retaining independence while meeting international needs is best achieved through an alliance model, where firms can access trusted local expertise without compromising autonomy. This approach enables faster mobilisation, seamless regional coverage and a deeper, more responsive client experience.

Praxity's alliance structure, which preserves autonomy while enabling global reach, fits this moment particularly well. It gives firms the independence regulators expect and clients value, while providing access to shared expertise, cross-border familiarity and the ability to mobilise support quickly. In a world where inconsistency and variance are increasingly commonplace, this combination creates not just resilience but a clear advantage.



A WORLD REWIRING ITSELF



Uncertainty is the only certainty there is, and knowing how to live with insecurity is the only security.

John Allen Paulos,
Acclaimed Mathematician and Author

Every region is feeling the effects of a world that can no longer be measured by traditional metrics. Economies are drifting toward more self-protection. Governments are adjusting rules with greater frequency. The reliability of information is being questioned in ways that were once unthinkable. And all this is fuelled by technology that is evolving at a pace that outstrips classic implementation timelines and governance measures.

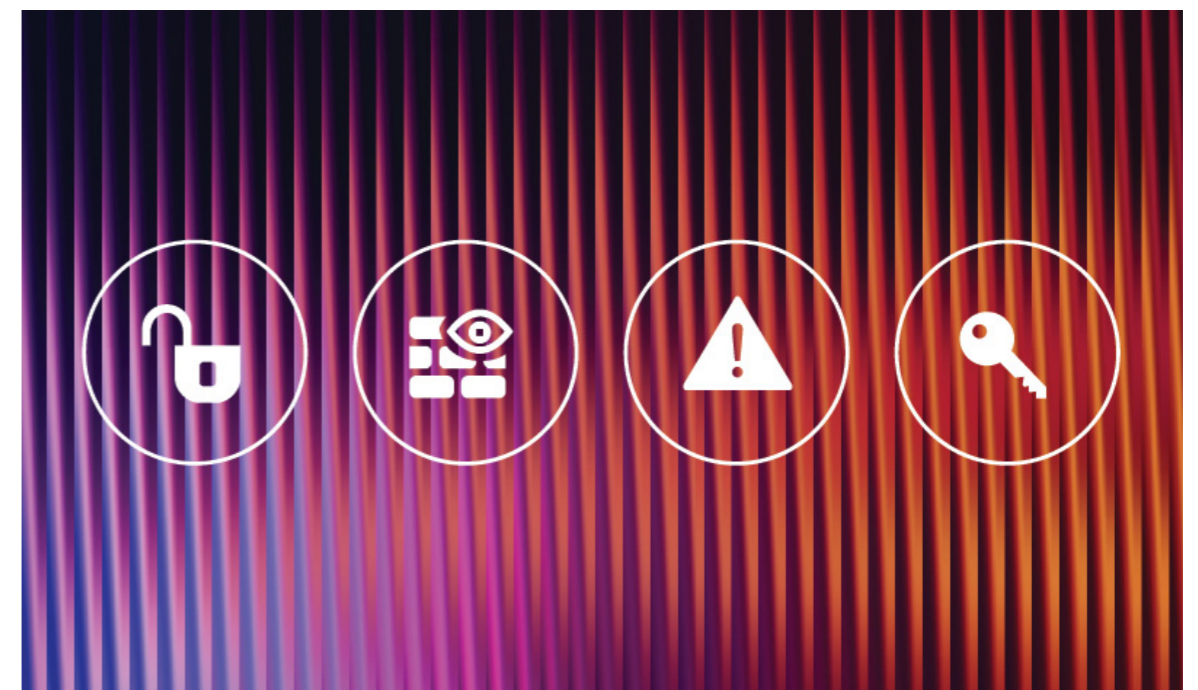
For mid-tier accounting, audit and tax firms, these forces accumulate into a daily reality. Regulation shifts with little notice. Clients expand into unfamiliar markets where rules look similar but operate differently. Cyber threats are becoming more sophisticated as data security becomes an endless game of cat and mouse. And then there is the emerging talent required to sustain the industry. Staff require new skills at a rate that challenges existing training models.

What keeps firms moving forward is their ability to adapt faster than these pressures intensify. The most successful firms will be the ones that treat transformation, not something that punctuates business as usual, but as an ongoing reality requiring an agile risk management process within the workflow. They will recognise that agility is no longer a by-product of good management. It has become the central discipline of leadership. Its no surprise that the Agile Framework is now being embraced within operations as a means to manage ongoing change and uncertainty. The bi-product of all this uncertainty is the need for more nuanced and trusted local expertise delivered across borders. We talk to a number of leaders across core regions within Praxity who are balancing domestic and regional imperatives with the ability to operate globally in all jurisdictions.

Risk has a double edge: uncertainty is real, but so is opportunity.



Bernardo del Rio,
Managing Partner
JA Del Rio, Praxity
Management Board



THE FOUR GLOBAL FORCES SHAPING MID-TIER FIRMS

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Market Dynamics and Cross-Border Delivery Models

Global markets are fragmenting in uneven ways. Some regions are tightening regulations. Others are opening up their economies to attract investment. Supply chains are shifting. Capital flows are reorienting. Decisions made in one jurisdiction now have immediate implications in another. Clients need advisers who can interpret these movements and explain how they affect strategy, risk and opportunity. For most regions this means an uptick in professional services demand. Firms are being asked to provide clarity on rules that diverge, to coordinate teams that sit in different jurisdictions and to help clients make confident decisions at a time when conditions may change overnight.

LATAM

While these global dynamics shape professional-services demand everywhere, their effects are felt most immediately in regions undergoing rapid structural shifts. Latin America stands out as a prime example, where nearshoring and regulatory fluidity are transforming the advisory landscape at speed.

The region is experiencing a period of dynamic, interconnected growth that looks very different from the more measured momentum of Europe or the capital-heavy shifts seen in Asia Pacific. Here, much of the movement is being driven by the region's growing role in global nearshoring strategies. As international companies recalibrate their supply chains and look for operations closer to the United States, LATAM has become an increasingly attractive destination. Mexico, Brazil, Colombia and parts of Central America are drawing new investment not because they are the lowest-cost option, but because they offer a blend of proximity, agility and sector-specific know-how that global businesses now value more than simple scale.

This wave of activity is reshaping how firms deliver cross-border advice. Growth is no longer coming purely from individual jurisdictions. It emerges from the strength of relationships between advisers who know each other, trust each other and can collaborate with minimal friction. LATAM's advisory model is built on this familiarity. Teams that have worked together for years can move quickly when a client needs support in a neighbouring market or when a regulatory shift in one country creates ripple effects across the region. This depth of relationships is becoming a competitive advantage as cross-border work grows more complex and more time sensitive.

Speed matters especially in LATAM because the regulatory environment can change with urgency. Policy swings, tax reforms and administrative adjustments often arrive with little warning. Firms that understand how to interpret these shifts at speed and who know the right people to call in each country, can help clients make informed decisions before uncertainty slows their momentum. Whether responding to changes in Mexico's tax administration, navigating Brazil's evolving regulatory frameworks, or understanding the implications of currency or labour reforms in smaller markets, advisers who combine technical clarity with cultural fluency are the ones clients rely on.

Due diligence work has also accelerated as private equity activity increases and cross-border acquisitions become more common. The ability to coordinate teams across borders quickly, people

who already share methodologies, expectations and quality thresholds, allows LATAM firms to deliver work at a pace that matches today's investment cycles.

All of this gives LATAM a distinct energy. Where Europe feels cautious and APAC feels structured and strategic, LATAM feels fast-moving, relationship-driven and opportunity-rich. The region's volatility has created a professional services environment where adaptability is prized and advisers succeed by being connected, coordinated and ready to respond the moment conditions shift.

Firms that stay close to each other across borders rise above turbulence.



Bernardo del Rio



Europe

Where LATAM is defined by fast-moving opportunity, Europe presents a stark contrast. Here, slower growth and heavier regulatory expectations set a more measured pace for cross-border activity. Economic growth remains modest, and this subdued backdrop is shaping the rhythm of cross-border activity in ways that mid-tier firms feel acutely. The continent is operating against a rolling backdrop of geopolitical tension, shifting tariffs, evolving energy dependencies and divergent political priorities across member states. These forces create a climate where investment decisions move more slowly and where clients are cautious about committing to expansion or restructuring until they understand the possible regulatory and economic consequences. As a result, the pace of cross-border transactions has become more measured, with advisers spending more time interpreting context before clients feel comfortable acting.

Regulatory pressure continues to rise across Europe, and this adds further drag to cross-border work. ESG requirements are tightening at different speeds across jurisdictions, forcing companies to understand not only what is mandatory today, but what will become mandatory tomorrow. Even firms that operate in only a handful of countries must reconcile multiple reporting standards, varying interpretations of governance expectations, and evolving data-quality rules. For advisers, the task is no longer simply explaining a regulation. It now involves helping clients understand how overlapping ESG regimes interact, where they diverge and how those divergences affect everything from supply-chain decisions to capital-raising plans.

Anti-money laundering (AML) obligations add another layer of complexity. Enforcement remains uneven, but scrutiny is intensifying, particularly in sectors considered vulnerable or internationally exposed. This means cross-border engagements often require an additional level of diligence and documentation, even when the commercial factors are clear. Firms spend more time helping clients navigate the operational consequences of AML rules, especially when expansions into new countries trigger additional reporting, risk assessments or governance changes. For many clients, this guidance becomes as valuable as the transactional work itself.

Political uncertainty continues to shape business sentiment across the region. Elections in major economies, public-policy swings, and shifting regulatory philosophies influence how companies think about expansion, relocation or consolidation. The impact is felt not just at national level but

in cross-border planning, where the potential for regulatory divergence can reshape entire operating models. Businesses want advisers who can interpret this uncertainty without overstating or oversimplifying it, and who can provide a steady sense of direction even when the horizon feels clouded.

Growth estimates over the next few years are not great, and that affects us.



Andy Irvine,
Managing Partner
Shorts, Praxity
Managing Board



APAC

If Europe represents a period of caution, APAC sits at the opposite end of the spectrum. The region continues to attract substantial inbound investment, reshaping supply chains and accelerating advisory demand. The region continues to attract significant inbound investment, with Southeast Asia emerging as one of the most active corridors for businesses repositioning supply chains and seeking new growth routes. As production shifts from China into Malaysia, Indonesia and Thailand, the region feels both the pull of new capital and the pressure of rapid relocation.



Firms across APAC are being asked to guide clients through decisions that must balance opportunity with unfamiliar regulatory expectations, local business customs and a landscape of incentives that can change quickly as governments compete to attract long-term investment.

The pace of work is accelerating. Clients expect advisers to move as quickly as the markets they operate in, and they assume cross-border coordination will feel seamless regardless of the jurisdictions involved. The practical reality is that advisory teams must now interpret regulatory differences in real time, bring in colleagues across borders without friction, and help clients understand what changes in one market mean for operations in another. This expectation has only grown as technology enables faster communication and as businesses grow more comfortable making decisions at speed. Clients no longer wait for quarterly reviews. They want answers that allow them to adjust strategy immediately when geopolitical, economic or regulatory conditions shift.

This demand for speed is matched by a demand for deeper insight. Businesses entering or expanding within APAC want advisers who can explain far more than compliance. They need someone who understands how local rules connect to broader regional currents: how a change in foreign investment policy may alter the viability of a planned expansion; how local employment laws shape workforce planning; how data-privacy rules vary across borders; or how consumer expectations differ from market to market. Advisory work in APAC has become a multidimensional exercise in interpreting context as much as interpreting regulation.

The growing patchwork of sustainability and ESG requirements adds a further layer of complexity. Markets such as Hong Kong and mainland China have moved quickly toward structured reporting frameworks, while other Southeast Asian jurisdictions are advancing at different speeds. Companies expanding across borders must therefore navigate a confusing combination of mandatory disclosure regimes, emerging local guidelines and voluntary frameworks shaped by investor demand. Firms in APAC are increasingly being asked to help clients bridge these differences, ensuring that sustainability reporting remains coherent across multiple jurisdictions while meeting the specific expectations of each market's regulators and stakeholders.

Technology is central to how firms meet these demands. Clients assume their advisers will use digital tools to coordinate across borders, share information securely and synthesise data from multiple markets in a way that supports rapid decision-making. They also expect those tools to enhance the quality of insight, not simply speed up the administrative work around it. As a result, firms across APAC are rethinking how they collaborate internally, how they integrate technology into advisory delivery and how they maintain consistent standards of quality across markets that differ enormously in regulatory maturity and digital infrastructure.

All of this places a premium on advisory teams that understand the region, not as a single market, but as a collection of interconnected, rapidly evolving economies. The firms that succeed are those that can interpret movement as it happens, translate it across borders and help clients act with confidence in a region where opportunity and complexity rise in equal measure.

Clients want efficiency backed by technology and they want trust supported through strong data security.



Roy Lo, Managing
Partner at
SHINEWING CPA,
Praxity APAC
regional chair

North America

In contrast to APAC's growth trajectory, which is propelled by relocation and foreign investment, North America's mid-market environment is shaped by the accelerating influence of private equity. This creates a different dynamic one where speed of execution becomes a defining feature. The region's mid-market is in constant motion. Private equity ownership has accelerated decision cycles, leaving companies hungry for clearer insight into risk, growth scenarios and the forces influencing their operating environment. Many are expanding into the United States at speed, often without the internal systems or infrastructure that large multinationals rely on. They arrive needing steady guidance on the realities of operating in a jurisdiction where national rules are only part of the picture. The rest lies in a patchwork of state-level laws governing employment, data privacy, environmental standards and tax, all of which can vary widely and change rapidly. Firms want advisers who can make sense of these differences before they impede investment or slow momentum.

Tariffs created shock. Planning became very difficult for clients.



Marc Feigelson,
CEO Elect Kaufman
Rossin, Praxity
North American
Regional Chair

This complexity increases when decisions cross borders. Businesses entering the U.S. from Europe, Asia or Latin America must reconcile different reporting frameworks, employment practices and governance expectations. Even once established, many mid-market organisations find themselves navigating multi-jurisdictional structures that spread data, operations and teams across several countries. In these situations, they depend on advisers who understand not only the rules but the practicalities of delivering work across borders, offering clarity when conditions change faster than internal structures can respond.

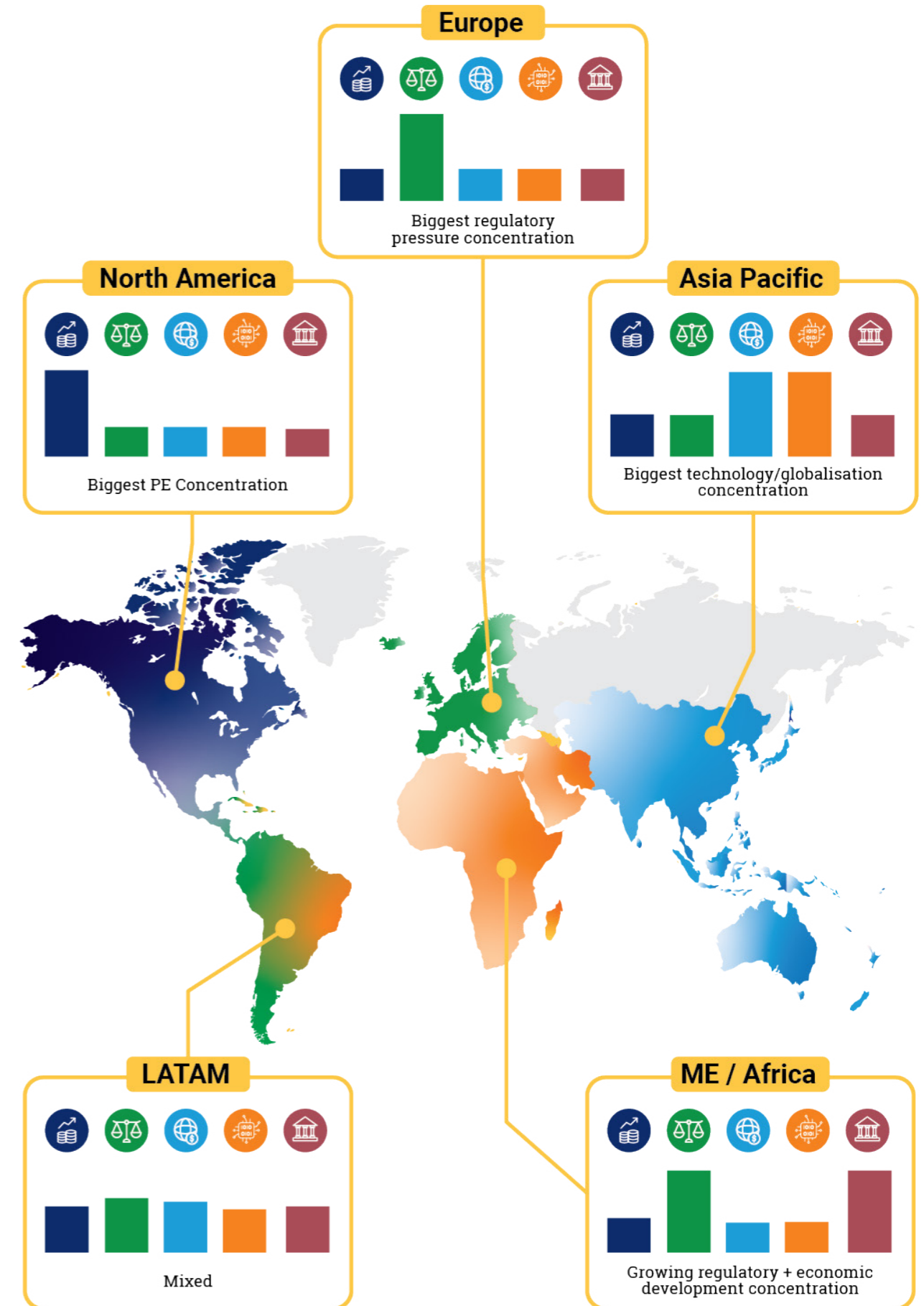
Cyber risk has emerged as a defining challenge. Companies of all sizes are now exposed through their supply chains, with attacks capable of disrupting operations across multiple jurisdictions. U.S. federal cybersecurity spending rose to \$26.4



billion in 2025, a 17.2% yearonyear increase, highlighting government recognition of the expanding threat surface.

As a result, clients increasingly scrutinise the security of their advisers and expect seamless, resilient collaboration across borders. Cybersecurity has become part of the trust equation in any cross-border relationship.

Regional Variants



Independence Under Scrutiny

As these market dynamics evolve across regions, one constant rises above the noise: clients want certainty in a world that feels increasingly unpredictable. That desire for confidence naturally sharpens the focus on independence, not just as a regulatory requirement, but as a visible marker of trust. Across all regions, independence is under sharper scrutiny as market forces, regulatory expectations and ownership models converge. Firms must now demonstrate objectivity not just structurally but visibly across borders.

These global pressures shape how cross-border work is delivered, setting the stage for the regional market dynamics that follow.

Independence is becoming more visible and more contested. Those conversations that once happened quietly between auditors and regulators now taking place across boardrooms, investment committees and even political forums. At a global level, the pattern is the same. The pressure to prove ethical clarity and structural neutrality is rising. This is not uniform across regions. Local regulations around independence differ but cross border clients are keenly aware of the necessity to demonstrate full autonomy in their audit partners.

The IFAC's 2026 global research makes clear that as ownership models diversify through private equity and alternative structures, the profession's ability to maintain independence, ethical culture and public-interest focus becomes the defining test of credibility.

In many markets, questions of ownership have taken centre stage. Investors want faster growth and greater efficiency, which has encouraged consolidation and the entry of private equity now so prevalent in professional services. The benefits of consolidation and growth presents conflict. Whenever financial interests and professional obligations interact, people begin to wonder where boundaries lie. At the same time, regulators respond unevenly, each adjusting rules according to local priorities, national risk appetite and political cycles. For clients, this invariability creates uncertainty, and uncertainty naturally leads them to seek advisers who can demonstrate consistency even when the rules around them do not.

Independence therefore becomes more than a compliance requirement. It becomes a signal of trust. Clients increasingly want to know how firms

monitor conflicts, how they govern themselves, how they protect objectivity and how they maintain clarity when engagements cross borders.

In Latin America, the presence of private equity has grown quickly. It is reshaping ownership structures and raising questions about how independence is preserved when financial interests diversify. Regulators are keenly aware of this tension. They look closely at conflict management, cultural safeguards and the strength of internal judgement. Clients, meanwhile, want reassurance that firms can navigate volatility without compromising professional standards. Regional cooperation has become a protective asset. Independence assessments in LATAM must account for inconsistent national regulations and fast-moving ownership changes. Mid-tier firms with cross-border clients must often apply stricter global standards, not just local ones, to ensure they are protected as clients expand across the region.

Europe continues to apply some of the strictest independence rules in the world. Although these rules were designed to protect large, listed companies, they apply equally to smaller organisations that often need broader support. Mid-tier firms find themselves unable to provide advice that would be helpful simply because regulations do not distinguish between levels of risk. This has forced firms to become more creative. They rely increasingly on trusted referral partners within the Alliance so clients can still access support without breaching rules that are, in many cases, blunt instruments. A review of the region's audit supervision framework is underway, but change is slow and uneven.

Some of the rules on independence are detrimental to smaller companies.



Andy Irvine

Across Asia Pacific, independence expectations are becoming more formal and more government-led. Before work begins, firms are increasingly required to document relationships, assess risks and record the steps taken to protect objectivity. The rise of foreign investment in the region has only heightened these expectations. Boards and audit committees want clear evidence that firms can operate without conflict. This creates valuable space for mid-tier advisers who can demonstrate strong governance and transparent processes.

"Clients are now more willing to appoint mid-tier firms for both audit and advisory work."
- Nikolas Hatzistergos, Executive Chairman of William Buck NSW, Praxity Managing Board and Governance Council

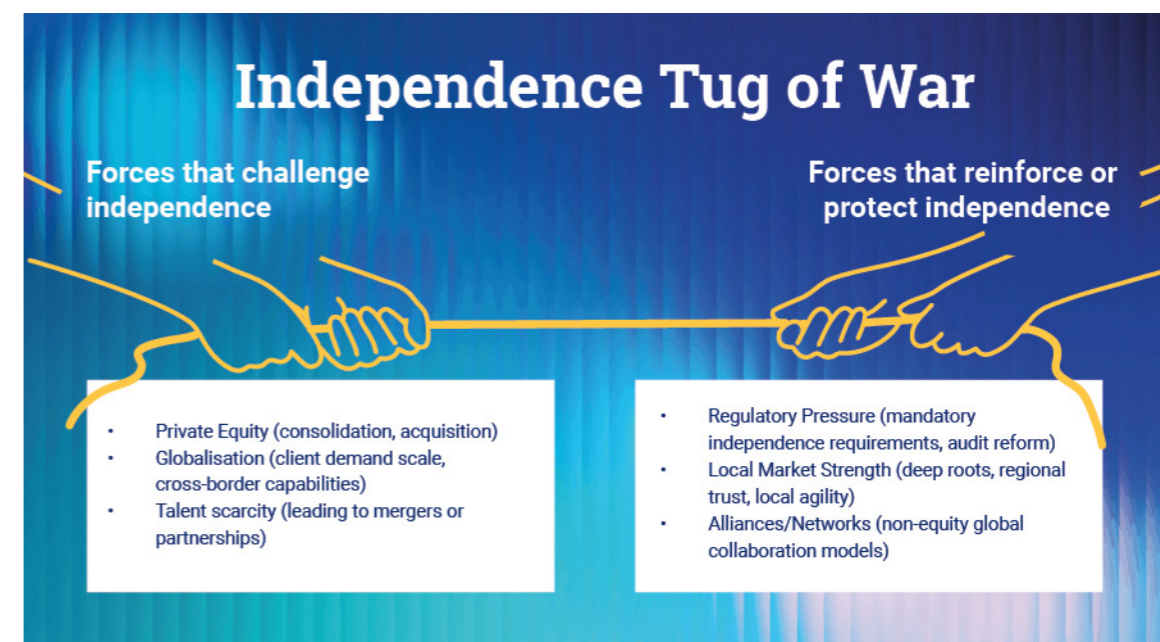
The United States and Canada share a different dynamic. Regulators have taken a relatively quiet stance toward private equity in professional services. Conflicts are scrutinised more by the market than by rule makers. The sheer scale of consolidation has made clients alert to the possibility of blurred boundaries. Many now prefer firms that retain private ownership, particularly those working with private equity investors who want advisers capable of being objective about portfolio companies. In this environment, independence becomes a competitive differentiator. Praxity firms are well placed, offering global reach without entanglement in ownership models that raise questions.

In North America, recent data further illustrates the scale of consolidation shaping independence expectations. Accounting Today reports that 225 mergers were completed by the Top 100 U.S. accounting firms in 2025 alone (not all PE-driven). S&P Global estimates private equity penetration in the U.S. economy at 3.49%. Harvard Law scholar John Coates notes that private equity now controls between 15% and 20% of the entire U.S. economy.

Being privately owned is becoming a competitive strength. Clients appreciate the objectivity, stability, and long-term focus that comes with independence.



Marc Feigelson



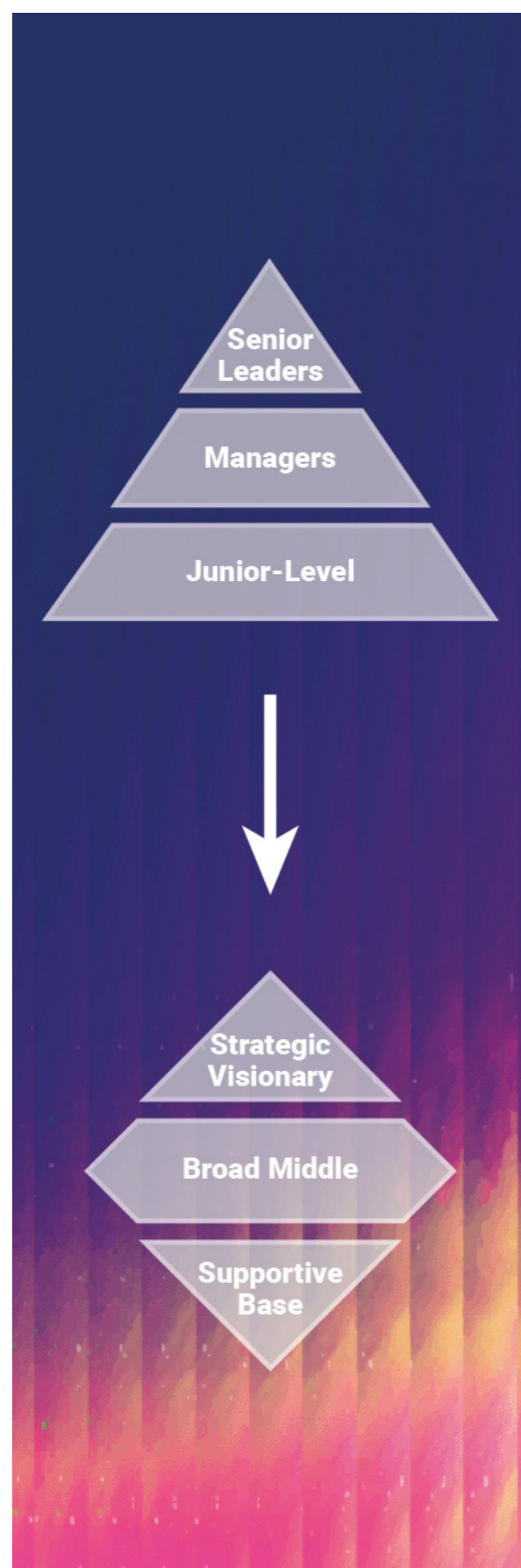
Talent and the skills shortage

If independence defines a firm's structural integrity, talent defines its operational capability. And here, too, the profession is facing a profound shift. The global reconfiguration of work, technology and expectations is reshaping the talent model faster than firms can redesign it. Automation has removed traditional training tasks, clients expect insight rather than process, and the scarcest capability in every market is the mid-level professional able to interpret, guide and reassure. While the dynamics vary by region, the consequences are universal: firms must strengthen judgement, protect the middle, and reshape how work flows between junior and senior layers.

The traditional talent pyramid has softened into a shape that looks more like a diamond. Many of the tasks that once trained junior staff are now automated. Routine work that built initial confidence has disappeared. Firms find themselves needing fewer people at the base and a much larger concentration of experienced, mid-level professionals who can exercise judgement and guide clients forward.

This shift places new demands on firms. It changes training pathways. It reshapes career expectations. It also requires a more deliberate approach to coaching because young professionals must learn judgement without the steady repetition of basic tasks that once built it.

Latin American firms have moved rapidly toward the diamond model. This mirrors global patterns but is amplified in LATAM because salaries are relatively lower and mobility is high. This is compounded by slower university modernisation and lower access to advanced training compared to North America and Europe. LATAM mid-tier firms must bridge this training gap internally because universities are not producing graduates ready to operate in an AI-enabled, digital accounting environment. While they enter the workforce with strong digital fluency and are comfortable using new tools they still need guidance to interpret what those tools produce. Mid-level professionals carry more responsibility than ever, and firms are investing in ways to strengthen this group through coaching, structured development and targeted upskilling in analytics and AI literacy. Attracting and retaining talent is also a significant pressure, LATAM mid-tier firms face intense competition for mid-level hires who now have global employment options, accelerating wage inflation and turnover.



"The emerging talent model is a diamond rather than a pyramid." – Bernardo del Rio, Managing Partner JA Del Rio, Praxity Management board.

In Europe, the pressure comes in part from talent shortages. Firms recognise the need to adopt technology but remain cautious about using it in ways that erode foundational skills. Leaders in the region want younger people to experience real audit work, even as that work changes shape. Mid-tier firms are introducing AI gradually so it enhances quality rather than replaces the learning that builds future capability. The challenge is balancing caution with progress without undermining the profession's appeal to new entrants.

"We need to be careful not to talk ourselves out of being an attractive industry."



Andy Irvine

Asia Pacific's labour market is wide but uneven. Firms need people who understand cross-border regulation, digital tools and the governance expectations of clients who often operate across several markets at once. Australia and New Zealand face a particularly tough environment, with private equity reshaping competition and narrowing access to experienced staff. Rising ESG reporting requirements across the region create further demand for specialists who can apply judgement in areas where rules continue to evolve.



Firms in North America speak about talent with a notable sense of energy. AI is seen as a catalyst rather than a threat. It is expected to move work upward and give people the freedom to engage in more interpretation, scenario planning and real-time analysis. Leaders in this region talk less about headcount and more about capability. They want people who can partner with machines, verify outputs and support clients through change. The talent market feels optimistic, driven by the belief that technology will open rather than close opportunities.

"The structure of tomorrow is an upside-down triangle, with technology doing most of the lower- and mid-level work."



Marc Feigelson

Technology: Human-Centred, Tech-Enabled

The strain on talent pipelines is accelerating the need for smarter, more integrated tools. But while technology can fill capacity gaps, it also raises new questions about governance, training and the balance between automation and judgement.

Technology has reached a point where it no longer simply supports the work. It shapes how the work is delivered, how clients experience it and how firms organise themselves internally. AI is now part of everyday accounting activities. Many professionals report that it has made them more productive and has freed them to focus on work that requires interpretation rather than repetition.

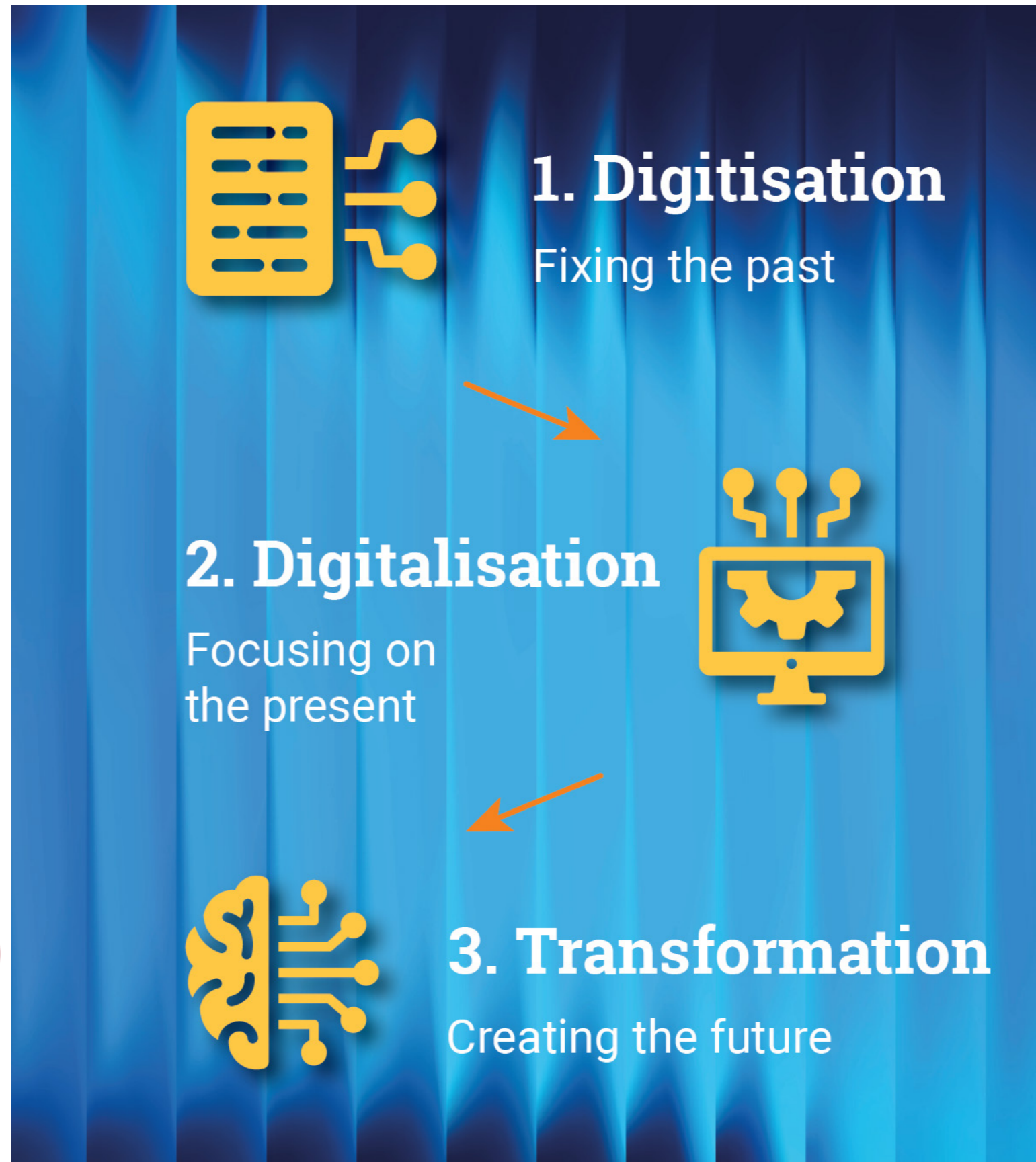
Yet technology only creates value when firms adopt it with discipline. Adoption is most successful when it is thoughtful, sequenced and governed. When technology is introduced too quickly, without clear purpose or oversight, it can weaken quality, blur judgement and disrupt client trust.

Firms in Latin America use technology in ways that directly support the relationship between adviser and client. They choose tools that strengthen responsiveness, support coordination and help teams act quickly when regulations shift. The technology is practical and grounded in day-to-day work. Adoption grows first in the areas where it will feel most natural and most valuable.

Technology is the steel in the factory. It matters, but it does not dictate the quality of the product.



Bernardo del Rio



European firms continue to be careful adopters. AI is used where it genuinely improves audit quality rather than where it offers novelty. Many firms keep a close watch on what larger providers are doing. They prefer to learn from the successes and mistakes of others before making significant investments themselves. What matters most is preserving the integrity of the profession and ensuring that technology does not diminish the understanding that underpins real assurance.

"We will bring AI in when outputs improve audit quality." – Andy Irvine.

Digitalisation in Asia Pacific is moving quickly, largely due to strong government agendas. SMEs in the region now expect advisers to provide efficient, data-driven insight, even if they are small or mid-sized firms. With adoption spreading fast, clients want reassurance that data is handled securely and that teams understand how to interpret it responsibly. Technology is becoming part of how trust is built, not just how work is done.

"Even small and mid-sized firms must incorporate AI. Clients expect it." – Roy Lo.

North American firms sense the momentum building around technology. Clients are comfortable with more connected ways of working, and firms use AI to expand advisory services and even take on full functions for clients through managed services. Real-time data has transformed the rhythm of adviser-client conversations. Cybersecurity sits beneath it all, creating a foundation that must be stable for these innovations to flourish.

Generative AI is the most transformative technology the world has ever seen, and it's becoming more capable every day.



Marc Feigelson

IMPLICATIONS AND OPPORTUNITIES

Taken together, these four forces of market fragmentation, rising independence scrutiny, a reshaped talent model and the acceleration of technology do more than define the operating environment. They interact, amplifying one another in ways that

reshape how mid-tier firms deliver value. Understanding each trend in isolation is no longer enough; the real challenge is navigating the space where they overlap. This is where the most significant implications, and the greatest opportunities, now lie.



Clients increasingly want advisers who blend proximity with global confidence. They need people who can move quickly, coordinate across borders with ease and provide consistent interpretation of rules that no longer look the same from one jurisdiction to the next. Mid-tier firms can excel here by strengthening cross-border relationships, establishing rapid-response teams for regulatory or transactional work and developing nearshoring playbooks that help clients reposition operations with clarity. This environment rewards firms that know each other well and can act together swiftly, which is exactly the dynamic that defines Praxity member collaboration.

Although each theme has its own drivers, they connect closely. As markets fragment, clients seek more certainty. As technology accelerates, human judgement becomes both rarer and more valuable. As talent models reshape, firms rely more on shared capability across borders. As independence comes under scrutiny, the ability to demonstrate clarity, governance and ethical strength becomes integral to a firm's value story. These forces amplify each other. A firm that invests in governance supports both independence and technology. A firm that strengthens mid-level capability improves its ability to deliver cross-border work. A firm that uses Alliance relationships wisely becomes more resilient, more adaptable and more attractive to clients who want both local insight and global assurance.

Given technology now shapes every aspect of modern delivery, embracing technology strategy at board level will determine success in the digital age. Firms benefit when they treat technology as an operating decision grounded in governance and human judgement. A strong framework for adoption, where tools are tested, validated and introduced only when they strengthen quality, creates confidence for both clients and teams. This period of rapid evolution also gives firms the chance to reimagine their service models, introduce new offerings and use shared Alliance learning to avoid costly missteps. When technology becomes a partner to human capability rather than a replacement for it, the combination becomes far more powerful.

Embracing the challenge of the skills bandwidth will require a more lateral approach to team building. The firms that thrive will be the ones that rebuild their operating models around the middle of the organisation. They will strengthen mid-career pathways, invest in judgement-building experiences and help early-career professionals learn how to supervise technology rather than simply operate it. Many will find that cross-border secondments

and Alliance-wide collaboration accelerate development faster than traditional training ever could. The future of talent is already forming. It is more fluid, more connected and more focused on capability than hierarchy, and it rewards firms that nurture people with care and foresight.

And finally, Independence. Firms that have opted to retain an independent structure are now finding themselves in a position of strength in a world of increasing consolidation.

Independence now operates as a public marker of reliability. Firms can respond by making their safeguards more visible and by explaining how their structures protect objectivity rather than assuming clients understand it intuitively. They can also use the Alliance as a way to resolve conflicts without disrupting client relationships.

Some firms will go further and offer independence-risk assessments for fast-growing or investor-owned clients who want external confirmation that governance is sound.

ACTIONABLE PLAYBOOK FOR MID SIZED ACCOUNTING FIRMS (2026–2027)

1. Rebuild Your People Model Around the Middle

Prioritise mid level capability as the core of delivery.

To-do list

- Redirect hiring toward roles requiring judgement, analytics and client advisory strength.
- Build a skills forecast for ESG, analytics and digital assurance.
- Introduce transparent progression pathways and adjust compensation to remain competitive.
- Launch structured leadership, mentoring and succession programmes.
- Use contract and flexible staffing to manage seasonal peaks without expanding fixed cost.

2. Turn Junior Tech Fluency into Business Judgement

Ensure juniors become supervisors of intelligent systems, not task processors.

To-do list

- Embed AI literacy, structured scepticism and output validation training into onboarding.
- Redesign roles so juniors handle analytical tasks, scenario interpretation and client relevant analysis earlier.
- Implement mandatory human in the loop reviews for all AI supported workflows.
- Introduce short rotations across audit, tax and advisory to accelerate contextual judgement.

3. Build a Tech Adoption Governance Framework

Adopt disciplined, right sized governance for AI and automation.

To-do list

- Establish a lightweight governance framework covering tool approval, data rules and risk controls.
- Standardise firmwide use of secure enterprise grade AI platforms.
- Require accuracy, bias and compliance testing before deployment.
- Implement a monitoring cadence: weekly flagged output checks, monthly usage analysis, quarterly risk audits.
- Align all adoption decisions with Responsible AI principles as agentic AI increases autonomy.

4. Make Independence a Client Visible Advantage

Demonstrate structural neutrality as a differentiator.

To-do list

- Publish clear independence safeguards, conflict management processes and governance protocols.
- Benchmark policies against updated global audit and assurance standards.
- Review exposure to ownership related conflicts and articulate mitigations to clients.
- Offer independence and governance assessments as a value add advisory service.

5. Use an Alliance Model as a Real Time Resource Pool

Transform collaboration into operational capability.

To-do list

- Develop cross border playbooks, shared methodologies and rapid handover models.
- Increase secondments, reciprocal delegations and joint training with partner firms.
- Leverage regional professional services hubs to accelerate market access and client delivery.
- Use an alliance model to plug capability gaps in ESG, cyber, M&A and regulatory work.

THE PRAXITY ADVANTAGE



The world is moving toward greater unpredictability. It is becoming more multi-directional, more varied and more dependent on advisers who can help clients navigate uncertainty with calm and clarity. In this environment, Praxity's alliance model provides an unusually strong foundation.

Praxity members retain the autonomy that protects independence. They operate with the cultural familiarity that clients value. Yet they also draw on a global network that offers shared learning, deep experience and the ability to respond quickly across borders without the bureaucracy that often accompanies centralised structures.

This combination of independence and connectedness is becoming essential. Clients want advisers who understand their market, who stay close to their business and who can coordinate international support when conditions or opportunities require it. They want firms that combine judgement with agility and relationship depth with international reach. It also involves using the Alliance more intentionally, not just for occasional referrals but as a living resource that strengthens capability and accelerates delivery.

The next 24 months will reward organisations that can provide certainty amidst the unpredictable professional landscape. Praxity firms are well placed to do exactly that.

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Praxity Global Alliance

Praxity is the pre-eminent global alliance of accountancy, tax and audit firms with a combined turnover of US\$11.2 billion. Each member firm can choose expert advisers from more than 89,000 people in over 110 countries. Collectively, they have achieved 19 years of continuous growth. A not-for-profit association, the Praxity Alliance connects handpicked, like-minded member firms which operate independently and are united by a shared commitment to high quality client outcomes and personal care. These expert advisers work together seamlessly in multidisciplinary teams across international borders to meet every client need.

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