

# Agenda Item 3-B.3 (Supplemental)

## Track 2: Listed Entity and Public Interest Entity (PIE) ITC – Question 2(b)

**2(b). Do you agree with the IAASB's commitment to revisit the decision to adopt the definition of PIE in the IESBA Code (adapted as necessary for the ISQMs and ISAs) and extending differential requirements to apply to audits of PIEs? (See Section IV, paragraph 31 and Section V, paragraph 38.)**

### 2(b) Agree

#### 3. Regulators and Audit or Assurance Oversight Authorities

##### National Association of State Boards of Accountancy

NASBA agrees.

#### 4. Jurisdictional and National Auditing Standard Setters

##### Group of Latin American Accounting Standard Setters

Agree (with no further comments)

##### Hong Kong Institute of Certified Public Accountants

Agree (with no further comments)

##### Instituto de Auditoria Independente do Brasil

Agree (with no further comments)

#### 5. Accounting Firms

##### BDO International

Agree (with no further comments)

##### KPMG International

Agree (with no further comments)

Detailed comments (if any):

#### 6. Member Bodies and Other Professional Organizations

##### Chartered Accountants Ireland

Agree (with no further comments)

##### Federation of Accounting Professions of Thailand

Agree (with no further comments)

### 2(b) Agree With Comments

#### 2. User of Financial Statements

##### International Corporate Governance Network

Agree, with comments below

We agree with the IAASB's proposal to revisit its decision to adopt the definition of PIE in the International Ethics Standards Board (IESBA) Code and extend differential requirements to apply to audits of PIEs, once

global adoption and implementation of this definition has progressed. We believe that this approach allows for a more informed assessment of the definition's practical impact.

We welcome the IAASB's ambition to align with the IESBA Code. Consistency between the IAASB and the IESBA on key terminology and concepts is, as recognised in the Post-Exposure Consultation document, essential to support global harmonisation of audit standards, enhancing comparability and clarity for stakeholders across jurisdictions.

In this regard, we encourage the IAASB and the IESBA to work closely together to develop a consistent baseline definition of PIE. Collaboration between the IAASB and the IESBA is crucial, not only in this context but across all projects of importance for both. This is key to ensure consistency in audit practices globally.

### **3. Regulators and Audit or Assurance Oversight Authorities**

#### **Botswana Accountancy Oversight Authority**

Agree, with comments below

The global adoption and implementation of the IESBA PIE definition is still evolving and waiting until there is sufficient maturity in the application will allow for a more informed approach.

#### **Committee of European Auditing Oversight Bodies**

Agree, with comments below

#### **Independent Regulatory Board for Auditors – South Africa**

Agree, with comments below

We support the IAASB's commitment to revisit the decision to adopt the definition of PIE in the IESBA Code (adapted as necessary for the ISQMs and ISAs) and extend the differential requirements to apply to audits of PIEs. This will result in, among others, reduced complexity for firms operating in multiple jurisdictions and reduction of regulatory arbitrage. Furthermore, it will maintain interoperability between the IAASB and IESBA Standards. To foster this initiative, we suggest that the Board considers the following when that decision is made:

Joint consultation with the IESBA and IAASB on this topic

Monitoring the global adoption and implementation of the IESBA PIE definition for variations in different jurisdictions and the implications on this IAASB initiative.

Monitoring developments (if any) on the IESBA's clarification of the PIE definition for possible interoperability with the IAASB Standards.

Collaboration between the IAASB and the IESBA to consider and establish application of the definition of PIE across jurisdictions.

### **4. Jurisdictional and National Auditing Standard Setters**

#### **Institut der Wirtschaftsprüfer in Deutschland**

Agree, with comments below

We agree with the proposal to revisit the adoption of the definition of PIE. In this context, it would be important to determine whether any of the issues that lead the IAASB not to adopt as part of the narrow scope amendments continue to exist and if so, consider not adopting.

## 5. Accounting Firms

### Ernst & Young Global

Agree, with comments below

We support the IAASB's commitment to revisit the decision to adopt the definition of PIE in the ISQMs and ISAs; however, we do not believe the IAASB should consider revisiting this project without joint coordination with IESBA.

We strongly support the IAASB's objective to adopt a definition of PIE that provides a global baseline that could be consistently applied across jurisdictions, and that also would result in convergence between the IAASB standards and the IESBA Code. However, the Post-Exposure Consultation stated (paragraph 10) that IESBA has a consistent view that local bodies are best placed to ascertain the significance of the public interest in the financial condition of entities to determine whether these entities should be PIEs, as that significance is relevant from a local (rather than international) perspective. This view seems to directly contradict the IAASB's objective.

Furthermore, as long as the IESBA Code does not change, the concerns described in paragraph 27 of the Post-Exposure Consultation, specifically that the differential requirements in the ISQMs and ISAs would be subject to jurisdiction interpretation and variation and that conditional requirements would be introduced for the first time into the ISQMs and ISAs, will not be able to be alleviated.

Therefore, for the IAASB to be in a position to be able to achieve its objective, we believe the best path forward is for the IAASB to participate in the evaluation of the results of the IESBA's post-implementation review of IESBA PIE revisions (PIR) that is planned to commence in 2027 and then to determine how to move forward together with IESBA. We do not believe the IAASB should take a decision to create its own baseline PIE definition (for all the reasons included in the Post-Exposure Consultation). Instead, we suggest that the IAASB discuss with IESBA the need for change after the PIR and implement a joint project to achieve alignment.

The Post-Exposure Consultation (paragraph 41) states that as the IAASB's direction becomes clearer and proposals are developed, Board level coordination between the IAASB and IESBA will take place, as appropriate, and that this may include keeping the IESBA Board informed of IAASB progress (and vice versa) by, for example, providing updates during each Board's meetings or utilizing joint IAASB-IESBA plenary sessions. We do not believe that this level of coordination is sufficient for the IAASB to be able to achieve its objectives and suggest that the IAASB instead coordinate a joint project with IESBA.

Until such time that the IAASB can achieve its objectives related to this project, we continue to support that individual jurisdictions that adopt the ISAs make their own determinations of whether any of the "publicly traded entity" requirements in the ISAs should be applicable to certain other entities in their jurisdictions.

### Forvis Mazars

Agree, with comments below

We agree that the IAASB should reconsider adopting the IESBA PIE definition, and potentially extending the differential requirements to the wider PIE definition, as it becomes clear how the IESBA definition has been adopted and applied jurisdictions.

However, we would caution against the IAASB extending the differential requirements to all PIE categories without strong justification. It is important to avoid any potential unintended consequences and to ensure that there is an appropriate balance of the additional burden/cost on business, auditors and regulators with a genuine public interest, when applying the differential requirements.

#### **Grand Thornton International**

Agree, with comments below

We agree with the overarching objective and purpose of the PIE Track 2 project to establish differential requirements across the IAASB standards to meet heightened expectations of stakeholders regarding the performance of audit engagements for certain entities, thereby enhancing confidence in audit engagements performed for those entities. As noted in our PIE Track 2 comment letter submitted April 8, 2024, we believe that the PIE Track 2 project objective to adopt the definition of PIE in the IESBA Code into ISQM 1 and ISA 200 is not operational unless there is a global baseline definition of PIE that is consistently applied across jurisdictions. We believe that the decision to revisit such project to adopt the definition of PIE in the IESBA Code into ISQM 1 and ISA 200 and extend differential requirements to audits of PIEs should be conditional on two events occurring: 1) adoption of the IESBA Code PIE revisions across jurisdictions is sufficient to create a global baseline definition of PIE; and 2) the results of the IESBA's post-implementation review of the IESBA PIE revisions, planned to commence in 2027, has been completed. We believe that close coordination between both boards once these two conditions are met will be critical to ensuring the interoperability of the standards and consistency in practice.

#### **PriceWaterhouseCoopers**

Agree, with comments below

However, this should be a joint exercise with the IESBA, including outreach and coordination with relevant jurisdictional bodies, to also consider, as appropriate, any necessary revisions to the PIE definition and relevant provisions of the IESBA Code, and related IESBA non-authoritative material, to appropriately recognise the purpose and intent of a global baseline definition (see also question 2).

We agree with the IAASB's commitment to revisit the decision to adopt a global PIE definition in the future. However, as we describe in our response to question 1, we note that this needs to be a joint project with the IESBA, with input from relevant jurisdictional bodies, to facilitate the adoption of an appropriate global baseline definition of PIE that is supported by both boards and that can be applied consistently across jurisdictions without an undesirable level of inconsistency in application to entities of a similar nature.

For the same reasons as outlined in the IAASB Invitation to Comment, the manner in which the IESBA has chosen to operationalize the IESBA Code PIE definition precludes the IAASB from adopting the current definition without further clarification by the IESBA as to its intended application. Therefore, when adoption and implementation of the mandatory categories of entity set out in the IESBA PIE definition is deemed to have sufficiently matured, consideration of appropriate revisions to the IESBA Code provisions, and related IESBA non-authoritative material, would be necessary to facilitate the establishment of a true global baseline definition of PIE that can be applied consistently for purposes of both audit and independence.

Any such baseline definition would reflect the mandatory nature of the categories of entity set out therein (i.e., that a category cannot be excluded in its entirety), while retaining the expectation, supported by both the IESBA and the IAASB, that jurisdictional bodies play an important role in more precisely refining the population of entities within those categories that are to be considered PIE within a jurisdiction. In the

absence of such refinement (presumed to be less common at the point sufficient maturity of adoption and implementation is deemed to have been reached), the mandatory categories would apply as drafted.

We strongly encourage both boards to develop a joint project proposal on future revisions to, and adoption by the IAASB of, a global PIE definition, leveraging the work of the IESBA Adoption and Implementation Working Group and the IESBA's planned post-implementation review of the IESBA PIE revisions to inform both the timing and scope of the project.

#### **RSM International**

Agree, with comments below

We would also like to emphasise the need for coordination between IAASB and IESBA as well as considering comments previously provided regarding the extant differential requirements in the ISQMs and ISAs when revisiting the decision to adopt the definition of PIE in the IESBA Code and extending the differential requirements to PIEs.

### **6. Member Bodies and Other Professional Organizations**

#### **Accountancy Europe**

Agree, with comments below

We agree with the IAASB's commitment to revisit the decision to adopt the IESBA's PIE definition (adapted as necessary for ISQMs and ISAs) and to extend differential requirements for PIE audits.

We believe that alignment between the IESBA and IAASB definitions and requirements is essential to ensure clarity and consistency for practitioners. Diverging approaches risk creating confusion and inefficiencies for both auditors and entities.

#### **ASEAN Federation of Accountants**

Agree, with comments below

We propose for the joint collaboration to include outreach and coordination with relevant bodies to consider, as appropriate, any necessary revisions to the PIE definition and relevant provisions of the IESBA Code, and related IESBA non-authoritative materials.

We agree with the IAASB's commitment to revisit the decision to adopt the definition of PIE in the IESBA Code. For the next step, we would like to propose both boards to develop a joint project proposal on future revisions, and adoption by the IAASB of a PIE definition, leveraging the work of the IESBA Adoption and Implementation Working Group and the IESBA's planned post-implementation review of the IESBA PIE revisions to inform both the timing and scope of the project.

However, the commitment to revisit this project should take into account concerns regarding not extending the extant differential requirements for PTEs to PIEs in relation to communicating key audit matters (KAM) and communicating auditor independence, thereby offering flexibility to tailor audits based on an entity's risk profile.

#### **Association of Chartered Certified Accountants and Chartered Accountants Australia and New Zealand**

Agree, with comments below

We agree with revisiting the decision to extend differential requirements in IAASB Standards to apply to audits of PIEs at a future date. However, on the basis that the PIE definition in the IESBA Code was developed for the purpose of addressing independence considerations, not differential requirements in IAASB Standards, we do not expect our view to have changed substantially by the second half of 2026. To address this, it will be important for the IAASB and IESBA to consider their combined strategy for interoperability going forward. Until then, only where there is a clear need for uplift in differential requirements to PIEs (such as requiring the auditor to disclose that PIE independence requirements have been applied) should differential requirements in the IAASB Standards apply to audits of PIEs.

#### **Institute of Certified Public Accountants of Uganda**

Agree, with comments below

ICPAU agrees with the decision to extend differential requirements to PIEs. The purpose of the differential requirements from our perspective is to acknowledge jurisdiction variations and enable jurisdictions to adopt relevant and applicable criteria to their respective settings (socio-economic conditions or otherwise) without necessarily digressing from the primary intention of the standard. The Revisions to the Definitions of Listed Entity and Public Interest Entity in the Code Basis of Conclusion (BC71) carries a very guiding notation which can be borrowed under the circumstances herein. That, “the IAASB Standards recognize through application material that certain entities other than listed entities could have characteristics that give rise to similar public interest issues as listed entities and, therefore, that it may be appropriate to apply a requirement that was designed for an audit of a listed entity to audits of a broader range of entities.” These similar public interest issues referred to here would vary from jurisdiction to jurisdiction and such issues may only be given attention where the differential requirements are extended to PIEs. And enlisting these differential requirements in an inclusive, is a demonstration of how diverse jurisdictions could be and therefore a need to cater for such diversity without losing attainment of a harmonised global position.

#### **Institute of Chartered Accountants of Ghana**

Agree, with comments below

By IAASB revisiting the decision to adopt the definition of PIEs, the Board can observe the implementation gaps from different jurisdictions and make necessary corrections.

The risk of using a one size fits all standards approach, which may not align with all regulatory regimes will be reduced.

#### **Institute of Singapore Chartered Accountants**

Agree, with comments below

Yes, we agree with the IAASB’s commitment to revisit the decision to adopt the definition of PIE in the IESBA Code. However, we do not think that the differential auditing requirements should be made mandatory for all PIEs.

Instead, differential requirements could apply to PIEs that are scoped in based on the existing framework for determining when it may be appropriate to apply such requirements to entities other than PTEs, or if a jurisdiction decides to scope in certain PIEs for those requirements. This approach allows for alignment between the definitions under both the IESBA Code and the ISAs, while offering flexibility to tailor audits based on an entity’s risk profile.

## Malaysian Institute of Accountants - Auditing and Assurance Standards Board

Agree, with comments below

We note that there is an inconsistency in that the definition of public interest entity (PIE) in the IESBA's Code of Ethics has not been adopted in the ISQMs and ISAs although the application materials of the Code have been included in ISQMs and ISAs as guidance for firms to apply the differential requirements to entities other than publicly traded entities (PTEs), which may include PIEs. This inconsistency may lead to unintended consequences and the IAASB should look into this matter to minimise such consequences.

We agree with the IAASB's commitment to revisit the decision to adopt the definition of PIE in the IESBA Code. However, as described in our response to question 1, we stress that this needs to be a joint project with the IESBA, with input from relevant jurisdictional bodies, to facilitate the adoption of a definition of PIE that is supported by both Boards and that can be applied consistently across jurisdictions without an undesirable level of inconsistency in application to entities of a similar nature.

When the adoption and implementation of the mandatory categories of entities set out in the PIE definition of the IESBA Code are deemed to have sufficiently matured, consideration of appropriate revisions to the IESBA Code provisions, and related IESBA non-authoritative materials, would be necessary to facilitate the establishment of a truly global baseline definition of PIE that can be applied consistently for purposes of both audit and independence.

Any such baseline would reflect the mandatory nature of the categories of entity set out therein (i.e., that a category cannot be excluded in its entirety), while retaining the expectation, supported by both the IESBA and the IAASB, that jurisdictional bodies play an important role in more precisely refining the population of entities within those categories that are to be considered PIE within a jurisdiction. In the absence of such refinement (presumed to be less common at the point sufficient maturity of adoption and implementation is deemed to have been reached), the IESBA and IAASB's existing mandatory categories would apply.

We strongly encourage both boards to develop a joint project proposal on future revisions to, and adoption by the IAASB of a PIE definition, leveraging the work of the IESBA Adoption and Implementation Working Group and the IESBA's planned post-implementation review of the IESBA PIE revisions to inform both the timing and scope of the project.

However, the commitment to revisit this project should take into account our previously raised concerns and comments on not extending the extant differential requirements for:

communicating key audit matters (KAM); and

communicating auditor independence.

However, this should be a joint exercise with the IESBA, including outreach and coordination with relevant jurisdictional bodies, to also consider, as appropriate, any necessary revisions to the PIE definition and relevant provisions of the IESBA Code, and related IESBA non-authoritative materials.

## 7. Academics

### Hunter College-Auditing Class

Comment -We support the decision to revisit the definition of PIE in the IESBA Code. Given the global reach and scope of some large non-listed entities, such as non-profit foundations, it makes sense to subject them to the same audit rigor standards as publicly listed entities. This approach ensures that these organizations



adhere to high standards of financial reporting and ethical practices, which is crucial given their significant impact.

Comment - We believe the IAASB's commitment to revisit the decision to adopt the definition of PIE in the IESBA Code and extend differential requirements to audits of PIEs is appropriate. This commitment ensures that the IAASB remains responsive to global adoption and implementation progress of the IESBA definition, allowing for informed future decisions.

## **2(b) Neither Agree Nor Disagree**

### **4. Jurisdictional and National Auditing Standard Setters**

#### **Nordic Federation of Public Accountants**

Neither agree/disagree, but see comments below

Given the IESBA's clarification on how their PIE-definition should be applied we believe the IAASB has struck the right balance by proposing to replace listed entities with publicly traded entities and also by adopting IESBA's definition of such entities.

The rationale for not choosing the PIE-definition is well explained in paragraph 30 in the post-exposure consultation. Those factors will most likely remain at least for a foreseeable future. Therefore, we question the necessity to revisit this matter, at least the timing of such a revisit.

### **6. Member Bodies and Other Professional Organizations**

#### **CPA Australia**

Neither agree/disagree, but see comments below

In Australia, the AUASB previously consulted on extending differential requirements, specifically Key Audit Matters (KAM), to all PIEs. The general consensus at the time was that a blanket extension to all PIEs (or other entity groups) would be inappropriate.

We strongly recommend that the IAASB and local standard-setting bodies undertake evidence-based research to assess user needs for differential requirements, along with a thorough cost-benefit analysis, before considering mandatory application to a broader group of entities. This recommendation is based on Australia's experience with KAM implementation, where the additional effort and time required for reporting were not always matched by clear benefits for intended users. A data-driven approach will help ensure that any expansion of differential requirements is justified, effective, and aligned with stakeholder needs.

However, any future refinements to the definitions of PTE and PIE and their application should follow a more unified approach between the IAASB and IESBA. A coordinated effort would help ensure consistency across standards, reducing the risk of fragmentation and misalignment as we are seeing now. The current approach creates challenges in implementation and interpretation, potentially leading to inconsistencies in regulatory adoption and practice. A unified framework would enhance clarity, comparability, and global applicability.

#### **International Federation of Accountants**

Neither agree/disagree, but see comments below

We are supportive of the change in differential requirements shifting from listed to PTE but have concerns around the extension of these requirements to PIEs. Any decision to revisit this in future needs careful consideration and a commitment should not be made until the impact of adoption and implementation of the



IESBA Code definition is better understood and future intentions (e.g. in relation to any changes for sustainability) are clearer.

Designation as a PIE should not be seen as a proxy for the level of risk. There will always be some entities that carry higher risks, but by their nature would not legitimately fall to be classified as PIEs due to an absence of the required level of public interest. It is therefore, not always clear what would be achieved by extending differential requirements to PIEs or by expansion of PIEs to include additional entities.

We understand the importance of a globally consistent approach that aligns IAASB and IESBA standards, but there is a real risk that extension of differential requirements to PIEs could lead to unintended consequences. Especially if a definition similar to that which was originally proposed is used, as strict application could impose additional regulatory burdens on entities that may not traditionally be considered PIEs in their local context. The IAASB should maintain flexibility in adapting the definition to ensure it remains practical and applicable across different regulatory environments if it is committed to revisiting this decision.

IFAC are supportive of the direction the IAASB propose for this project. Whilst generally, we would prefer to see a fully unified strategy between both the IAASB and IESBA when developing definitions and considering application, the uncertainty created through the IESBA clarification of the PIE definition has created issues which we agree the IAASB needed to address within this project. We believe the IAASB was left with no realistic option but to defer consideration of the PIE definition as it would not be possible to reconcile the IAASB position as expressed within the original ED for this project to the clarified IESBA view. Any vision of setting a global baseline for PIE would be challenging under the latter, so a solution that ensures interoperability of standards is necessary where harmonization is not possible. Moving forward, the IAASB should consider a more holistic approach to standard revisions in coordination with IESBA to avoid piecemeal updates that may create unintended inconsistencies, wherever possible. The development of this project stresses the importance of early coordination and collaboration between the two Boards in projects that affect them both. Standardized definitions should be formulated within joint projects to avoid the risk of one Board taking a lead and setting expectations that subsequently create pressures for the other to follow.

## **2(b) Disagree**

### **1. Monitoring Group Members**

#### **International Organization of Securities Commission**

We do not support the IAASB's proposal to revisit the decision to adopt the definition of PIE at a later date "...when the global adoption and implementation of such definition has sufficiently matured." While we encourage the IAASB to finalize certain aspects of this project, including the PTE definition and updates to the differential requirements, we believe the IAASB should also carve out a project to reconsider a PIE definition for use in the ISAs and ISQMs that is not constrained by an objective to converge with the broad PIE definition developed by the IESBA. In any event, we do not believe the IESBA revisions will support the establishment of a global baseline, since there remains the ability within the IESBA Code, as clarified, to revert to a local PIE definition (or lack thereof) set forth by local law, regulation, or professional standards, which may be less robust than the PIE definition set forth in the Code. Regardless of the IESBA clarifications, we believe it is in the public interest for the IAASB to establish the PIE definition for use in the ISAs and ISQMs, and for a project with revised objectives to be commenced immediately since it appears that much of the work has been done, including outreach, stakeholder feedback, and staff and IAASB level deliberations.

#### IESBA Clarifications:

Additionally, we observe that the IESBA's clarifications in March 2024 appear to be the impetus for the IAASB's change in position. The IESBA's PIE clarifications, which were outside of the Code and not subject to the same level of due process, were of such significance that it compelled the IAASB to alter the direction of its convergence project. We question whether the IESBA's clarifications, which were published long after the IESBA project closed, changes or adds to requirements in the Code and if so, whether such changes were subject to appropriate due process. In addition, we are concerned that users of the Code may not be aware of the clarifications when applying or considering the Code.

#### 4. Jurisdictional and National Auditing Standard Setters

##### American Institute of Certified Public Accountants

Disagree, with comments below

As noted in Question 1, we concur with the decision to defer taking action to adopt the definition of PIE in the IESBA Code in the ISQMs and ISAs and defer taking action to extend the listed entity differential requirements to apply to audits of PIEs because of the IESBA's 2024 views and actions described in the Invitation to Comment and the impact they had on the IAASB's Track 2 decision-making. Accordingly, we do not believe the IAASB should revisit its PIE-related decisions until both standard setting boards, working together, have had the opportunity to gather and analyze feedback from relevant stakeholders, including jurisdictional standard-setters. This could be facilitated by the IAASB and IESBA offering a contemporaneous feedback mechanism (e.g., a joint public consultation) or a joint post-implementation review to solicit input and solutions from stakeholders on a path forward for a definition of a PIE that is interoperable between the IESBA and IAASB standards.

We recognize the difficulty and challenges the IAASB encountered because of the IESBA's 2024 publicly expressed views and actions described in the Invitation to Comment and the impact they had on the IAASB's Track 2 decision-making. Those circumstances have prompted us to reiterate our ED-PIE Track 2 response recommendation that the IESBA and IAASB need a joint strategy and comprehensive approach to on-going standard setting for public interest entities (PIEs), which includes (i) the path forward for how decisions are made concerning the identification and treatment of PIEs and the necessary interoperability of the related IESBA and IAASB standards, (ii) which standard setting board is responsible for coordinating those decisions, and (iii) at what point in the process the corresponding standard setting board becomes further involved in finalizing those decisions.

If the IAASB plans to continue to use Post-Exposure Consultations in the future, we recommend that the concept be added to the due process procedures with an explanation of the difference in objectives or process between this type of consultation and a Re-Exposure.

##### Compagnie Nationale des Commissaires aux Comptes

Disagree, with comments below

The commitment should be to reconsider the feasibility and relevance of replacing PTE by PIE, not a commitment to actually do it, keeping in mind that each country should be encouraged to define the scope of its PIEs.

##### Royal Netherlands Institute of Chartered Accountants

Disagree, with comments below

The NBA urges the IAASB to retain its original commitment (of December 2024) to all elements of its original proposals to adopt the PIE definition.

As per our responses to the previous questions, we strongly support a common definition and common guidance of which entities are to be considered PIEs. We urge both Boards to resolve the differing views as soon as possible, and to make amendments where needed. The NBA remains committed to the broader PIE definition, which includes PTEs as well as banks and insurance companies, with the possibility to add specific groups of entities at a national level.

## 5. Accounting Firms

### Deloitte

Disagree, with comments below

We believe that the Board should not commit to revisiting this decision until the results of IESBA's Post-Implementation Review — Definition of Public Interest Entity are available and other information has been obtained through further IAASB stakeholder outreach and other information-gathering activities. See response to Question 2(c) below.

Knowledge gained from the Listed Entity and PIE project highlight the importance of close coordination and collaboration across the two Boards to avoid unintended consequences. We commend the willingness of the IAASB and IESBA staff to work together in monitoring the adoption of the IESBA PIE revisions and to coordinate related information-gathering and outreach activities, and we support the continued importance of Board level coordination between the IAASB and IESBA. Accordingly, we believe that the timing of any IAASB Board discussion should have the full benefit of insights gained from IESBA's post-implementation review.

## 6. Member Bodies and Other Professional Organizations

### Korean Institute of Certified Public Accountants

Disagree, with comments below

KICPA agrees with the need to revisit the decision to adopt the definition of PIEs in the IESBA Code. However, it is questionable whether the IAASB needs to commit to extending differential requirements to apply to audits of PIEs. It is unclear whether there are compelling needs in terms of public interest to extend the differential requirements to audits of PIEs, other than for the purpose of enhancing the consistency with IESBA Code. What is more necessary now is to monitor relevant developments and seek input from stakeholders, instead of making commitment to extending differential requirements to audits of PIEs.

In this light, we objected to the proposed extension of differential requirements to PIEs, regarding inclusion of the name of engagement partner and communication of KAMs (Key Audit Matters), when submitting our comments on 'Proposed Narrow Scope Amendments to ISQMs, ISAs and ISRE 2400 as a Result of the Revisions to the Definitions of Listed Entity and Public Interest Entity in the IESBA Code' to the IAASB (April, 2024).

## 2(b) No Specific Comment

## 4. Jurisdictional and National Auditing Standard Setters

### Wirtschaftsprüferkammer

No response

## **6. Member Bodies and Other Professional Organizations**

### **Malaysian Institute of Certified Public Accountants**

No response