

Agenda Item 2-C.6 (Updated)

Experts – Respondents’ Detailed Comments to EM Question 6

Effective Date—Given the public interest benefit of aligning the effective date of these proposed narrow-scope amendments with the effective date of the revised Code provisions related to using the work of an external expert, the IAASB believes that an appropriate implementation period would be approximately 12 months after the PIOB’s process of certification of the final narrow-scope amendments. The IAASB welcomes comments on whether this would provide a sufficient period to support effective implementation of the narrow-scope amendments.

6.1 Response

1. Monitoring Group Member

International Forum of Independent Audit Regulators

We agree with the proposed effective date of the narrow-scope amendments for audits of financial statements for periods beginning on or after December 15, 2026, which would align to the effective dates of the PIE Track 2, Going Concern and Fraud projects.

3. Regulator and Audit Oversight Authority

Committee of European Auditing Oversight Bodies

We agree with the proposed effective date of the narrow-scope amendments for audits of financial statements for periods beginning on or after December 15, 2026, which would align to the effective dates of some other projects.

Financial Reporting Council (UK)

We agree the proposals for the effective date.

Independent Regulatory Board for Auditors - South Africa

We agree with aligning the effective date of these proposed narrow-scope amendments with that of the revised Code provisions related to using the work of an external expert. Such a co-ordinated approach will help auditors apply the standards confidently and consistently, reinforcing public trust in the profession.

To support effective implementation, it will be important for the IAASB to co-ordinate closely with the IESBA on the implementation guidance currently being developed. Such collaboration will ensure that auditors receive consistent and practical support across both ethics and IAASB standards, and will further reduce the risk of misinterpretation or inconsistent application of the new provisions.

The proposed 12-month implementation period, following the PIOB’s certification, appears sufficient, especially given the alignment with the IESBA’s timeline and the anticipated efforts by firms and jurisdictions to update their methodologies, training and enablement tools.

4. Jurisdictional Standard Setter

American Institute of Certified Public Accountants

Refer to our primary recommendation in Part A above. We believe deferrals by the IAASB and IESBA, respectively, are needed to allow for appropriate time to properly address interoperability concerns and allow the two boards to consider whether the provisions related to evaluation of the external expert’s CCO in Section 390 of the IESBA Code should be redeliberated and then relocated to IAASB standards.

Auditing and Assurance Standards Board Canada

We support the proposed effective date. We did not identify any challenges with the proposed implementation timeline.

FACPCE

We consider the period sufficient

Institut der Wirtschaftsprüfer

As a matter of principle, we note that these amendments are not conforming amendments and that practitioners in those jurisdictions applying the IESBA Code will need to comply with the IESBA Code regardless of any changes made to the IAASB standards. Therefore, there is no technical reason why the effective date should be aligned with that of IESBA. We believe that setting the same effective date sets a bad precedent for future IAASB standard setting when IESBA makes changes that affect the IAASB. For these reasons, we believe that 18 months would be a more acceptable time period, which would be the usual time period for IAASB pronouncements not involving major substantive changes.

New Zealand Auditing and Assurance Standards Board of the External Reporting Board

We agree with the proposed effective date of approximately 12 months after the PIOB's process of certification of the final narrow-scope amendments.

Nordic Federation of Public Accountants

We note that the proposed amendments, except for the suggested change to paragraph 8 in ISA 620, are limited to application material and primarily serve to reference requirements already established in the IESBA Code of Ethics. In such cases, where the application material reiterates obligations that auditors are already required to comply with through adherence to the Code, the practical consequences of the changes may be limited. While the proposed additions may enhance clarity or reinforce awareness, they do not introduce new responsibilities. As such, we believe it is important to consider the role of the effective date in these circumstances, and to clearly communicate that the revisions are explanatory in nature. This distinction can help avoid confusion and ensure that implementation efforts remain proportionate to the nature and impact of the changes.

Royal Netherlands Institute of Chartered Accountants

While we support in principle the alignment of the effectiveness dates between the revised provisions in the Code and the narrow scope amendments to the Standards, we think that a 12 months period for revising the Standards (including translations) is too short. Developing implementing amendments to the Standards on a national basis requires a due process, multiple levels of review and appropriate time for consideration by committees involved. Also, we consider it important to have the final translated standard available for practitioners on a timely basis before their effectiveness. Such a process usually requires more than 12 months.

The solution to this would be rather simple. Instead of having one Board developing and finalizing changes and the second board rushing thereafter to develop confirming amendments (like in this case), both Boards should cooperate in the preparation phase, and develop one integrated consultation of the proposed amendments to Code and Standards simultaneously. Subsequent to that joint consultation, also the final amendments should be jointly published (and certified by PIOB). Such process leave ample time for jurisdictional standard setters to timely implement the changes.

Saudi Organization for Chartered and Professional Accountants

The proposed 12-month implementation period is appropriate and aligns with the IESBA's effective date. To support adoption, especially among small- and medium-sized firms, we recommend that the IAASB develop

enablement resources, including methodology integration guides (ISA 220), training programs, and monitoring checklists. Templates for expert agreements and evaluation tools would also streamline compliance. Timely communication of these resources would ensure stakeholders are well-prepared across all practice sizes.

5. Firm (Audit or Assurance Practitioners)

Deloitte

Deloitte is supportive of the IAASB's proposal to align the effective date of the proposed narrow-scope amendments with the effective date of the revised Code provisions related to using the work of an external expert.

Ernst & Young Global Limited

We agree that the effective date of the proposed amendments to the IAASB standards should be aligned with the effective date of the revised IESBA Code provisions.

We believe that an effective date for periods beginning on or after 15 December 2026 would provide a sufficient period to support effective implementation if the final pronouncement is approved as targeted by December 2025.

Forvis Mazars

As noted in our response to Question 2, the adoption of the IESBA Code around the world is patchy, with many jurisdictions not having adopted the latest versions of the Code and being, in some cases, a decade or more behind the latest version. As such, the effective date of these requirements, insofar as they relate to changes in the Code, will be driven in reality by the date of adoption of the IESBA Code in each jurisdiction. As we note in our response to question 2, it would be helpful for the IAASB to include further application material or non-authoritative guidance setting out what audit firms should do where the requirements in the IESBA Code have not yet been adopted but are referred to in ISA 620.

Grant Thornton International Ltd

We support the proposed effective date and believe a 12-month implementation period is sufficient given 1) proposed amendments do not add new performance requirements; and 2) audit firms are in the process of revising their methodologies to comply with the effective date of the revised IESBA Code provisions which the narrow scope amendments in this proposal refer to.

Mo Chartered Accountants (Zimbabwe)

We concur with the rationale and basis of the effective date.

RSM International Limited

We agree that there would be a public-interest benefit in aligning the effective date of these proposed IAASB narrow-scope amendments and the effective date of the revised IESBA Code provisions, which is 15 December 2026.

We also agree that an implementation period of 12 months is reasonable. However, it is unclear when the PIOB will certify the final pronouncement to align the desired implementation period to the desired effective date.

As such, we believe that the effective date of the final pronouncement for the narrow-scope amendments should align with the effective date of the new provisions in the IESBA Code regardless of if the implementation period is shorter or longer than 12 months. Furthermore, we believe early adoption should

be permitted only if IESBA's Revisions to the Code Addressing Using the Work of an External Expert is also adopted early.

6. Professional Accountancy or Other Professional Organization (PAO or Similar)

Accountancy Europe

Accountancy Europe appreciates the IAASB's intention to align the effective date of these narrow-scope amendments with the effective date of the related IESBA Code provisions.

In this specific case, as the proposed changes primarily reference requirements already established in the IESBA Code, we acknowledge that the practical consequences of the amendments may be limited. The additions appear explanatory, which may support the view that a 12-month implementation period is adequate.

However, we caution that even for explanatory changes, the implementation period may still be challenging for many stakeholders, including firms, regulators, and national standard-setters. Translating the amendments, ensuring consistency with existing standards and regulatory frameworks, updating methodologies and related guidance, and incorporating the amendments into national oversight systems require careful planning and coordination.

Looking ahead, we strongly encourage IESBA and IAASB to adopt a more coordinated and integrated approach for future projects. A joint development process, from project initiation and drafting to finalisation and implementation, would facilitate better alignment of requirements and timelines. This would support smoother adoption and promote more effective and consistent implementation across jurisdictions.

ASEAN Federation of Accountants

Whilst we understand the IAASB's rationale in aligning the effective date with the revised IESBA Code, we share the concern expressed by our member that 12 months may not be sufficient for jurisdictions requiring translation, training, and adaptation into firm methodologies. We recommend that the IAASB consider allowing a longer implementation period, up to 18 months, to ensure smooth adoption and readiness across jurisdictions with diverse capacities.

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

We do not believe that 12 months after the PIOB's process of certification of the final narrow scope amendments is sufficient. Many jurisdictions will need to translate the final narrow scope amendments to their local language and firms will need time to provide appropriate training to their staff. We therefore recommend that a longer implementation period is considered.

Botswana Institute of Chartered Accountants

The proposed 12-month implementation period appears sufficient; however, its adequacy may depend on factors such as the time required for familiarization, engagement with relevant stakeholders, and the effectiveness of change management plans. Nonetheless, I support the 12-month period as appropriate.

Consejo General de Economistas de España

While we acknowledge the need for timely implementation, we consider a 12-month period from the final approval date to be quite short, especially for SMPs. Even if guidance and training materials are provided, such a timeline may not be sufficient for smaller firms to update procedures, train staff, and implement the necessary quality management responses without disruption. We suggest that a longer implementation period—preferably 18 to 24 months—be considered, or at least a phased approach for SMPs. This would

allow for proper adoption without compromising service quality or increasing undue pressure on limited resources.

CPA Australia

We support the proposed effective date of December 15, 2026, in the public interest to align the effective date with the Code.

European Federation of Accountants and Auditors for SMEs

While we acknowledge the need for timely implementation, we consider a 12-month period from the final approval date to be quite short, especially for SMPs. Even if guidance and training materials are provided, such a timeline may not be sufficient for smaller firms to update procedures, train staff, and implement the necessary quality management responses without disruption. We suggest that a longer implementation period—preferably 18 to 24 months—be considered, or at least a phased approach for SMPs. This would allow for proper adoption without compromising service quality or increasing undue pressure on limited resources.

Institute of Chartered Accountants in England and Wales

Although we agree that the effective date of the new IESBA Code provisions and the IAASB standard amendments should be aligned, a twelve-month implementation period is not ideal and should be avoided in future. Stakeholders may find themselves pressed for time when ensuring changes are translated, adopted, and incorporated.

We also agree that it is in the public interest that the effective dates of the new Code provisions and amendments to the IAASB standards be aligned.

We also recognise that there may be practical challenges for firms, national standard-setters and oversight bodies implementing the proposed changes. While we support the alignment of effective dates, a twelve-month implementation period is likely to exacerbate these challenges. This is a poor precedent to set, and we encourage the two Boards to avoid this in future by working together earlier on in the life of the projects.

An implementation period as short as twelve months will present a real challenge for:

- Firms and methodology providers revisiting and revising their methodologies, tools and templates, and updating their training programmes; and
- National standard-setters and oversight bodies amending their frameworks and guidance documents.

Translation efforts may also be time-consuming, especially if the amendments in question introduce ambiguity in how they are to be interpreted.

That said, we agree that it is in the public interest to align the effective dates of the IAASB's proposed narrow-scope amendments and the revised IESBA Code of Ethics provisions.

It is also in the public interest for the IAASB and IESBA to work together to avoid this situation arising again in the future. Agreement on shared objectives and timings from an early stage is essential for effective implementation.

Institute of Chartered Accountants of Nigeria

We agree with the IAASB's proposed approach to align the effective date of the narrow-scope amendments with the effective date of the revised IESBA Code provisions related to using the work of an external expert.

- A 12-month implementation window, post-approval by the Public Interest Oversight Board (PIOB), is generally sufficient and appropriate for most jurisdictions with well-developed assurance systems.
- However, capacity-building considerations must be made for developing jurisdictions such as Nigeria where additional time may be required to:
 - Train practitioners and assurance teams on the revised requirements,

- Update national auditing standards or manuals,
- Develop regulatory and institutional guidance.
- Recommendation: While we support the 12-month timeline as a global benchmark, we suggest that the IAASB consider allowing for a staggered or adaptable implementation option for jurisdictions facing practical adoption hurdles.

International Federation of Accountants

Whilst there is a public benefit interest in aligning the effective dates, the IAASB should be aware that such a short period could cause very real practical challenges for firms, PAOs, national standard setters and others in carrying out the work that needs to be completed for successful adoption and implementation. This would include translations in many jurisdictions and updates of existing material that may reference relevant requirements. Work to progress preparation for the changes resulting from the IESBA Code revisions has also been deferred by some organizations until there is clarity on changes from the IAASB so these can be progressed through joint interventions. This may effectively mean that the creation of new materials and training resources, and update of firm methodologies and approaches to respond to changes in requirements resulting from the Code could be awaiting the final position from the IAASB. Similar may also apply for national regulators, who could then be pushed for time to incorporate the amendments into their respective frameworks.

The IAASB must understand that any support received for this timeline should not set a precedent for future courses of action. A twelve-month period should be understood to be highly challenging, but on this occasion, we believe alignment would be appropriate. Once it has been confirmed that there will be no substantive new requirements for this project, this should be communicated to stakeholders in a timely manner so that they can progress preparation for the changes resulting from the IESBA Code.

The underlying problem causing the very short timeframe for this project, a lack of coordinated alignment of topics and timing between the IESBA and the IAASB, requires resolution. We also note that the timeline for approval and subsequent certification by the PIOB is not entirely clear at this stage. This must be conducted in a timely manner to genuinely allow for a 12-month period post finalization.

Malaysian Institute of Certified Public Accountants

We are supportive of the proposed effective date.

National Association of State Boards of Accountancy

NASBA agrees with aligning the effective date of these proposed narrow-scope amendments with the effective date of the revised Code provisions related to using the work of an external expert and believes that it would result in an appropriate implementation period after the PIOB's process of certification of the final narrow-scope amendments. We recommend that the option for early implementation contained in the revised Code provisions be extended to the proposed narrow-scope amendments provided that such early implementation be carried out simultaneously.

Pan African Federation of Accountants

The proposed 12-month implementation period following the Public Interest Oversight Board's (PIOB) certification of the final narrow-scope amendments is generally appropriate and practical for African jurisdictions. This timeline offers a reasonable window for regulated entities, particularly small and medium practices (SMPs), which are predominant across Africa, to update internal policies, systems, and training in line with the revised IAASB standards and the corresponding provisions in the IESBA Code.

However, to ensure effective and consistent adoption across the continent's diverse linguistic and institutional environments, this period must be accompanied by targeted support. Outreach, communication, and technical guidance will be essential, especially for jurisdictions where awareness of the changes and capacity for implementation may be limited.

We recommend that the IAASB coordinate with key regional and continental bodies, such as PAFA, to deliver implementation support through practitioner workshops, toolkits, and translated materials in French and Portuguese. These collaborative efforts will help bridge resource gaps, enhance understanding of the changes, and ensure a smooth and equitable transition across all African regions.

South African Institute of Chartered Accountants

We support the IAASB's intention to align the effective date of the proposed narrow-scope amendments with the revised IESBA Code, currently set for December 15, 2026.

While we understand the rationale for aligning the effective dates to avoid a gap between the ethical and assurance frameworks, we note that the volume of standards being amended simultaneously may present implementation challenges for practitioners; in particular auditors who need to consider implementation of other standards such as ISA 240 (Revised) and ISA 570 (Revised). The cumulative effect of changes across multiple standards could be burdensome, particularly for smaller firms or jurisdictions with limited resources.

We recommend that the IAASB consider issuing implementation guidance or application material to support effective adoption. This could include illustrative examples, transition considerations, or FAQs to help practitioners navigate the changes. Furthermore, we acknowledge the provision for early adoption and agree that this flexibility is helpful, allowing firms to test and integrate the amendments ahead of the mandatory date.

8. Public Sector Organization

Government Accountability Office – United States

We support the IAASB's alignment of the effective date with the related IESBA's Code revisions related to using the work of an external expert.

Provincial Auditor Saskatchewan

No concerns with the proposed effective date.