

## RESPONSE TEMPLATE FOR THE ED OF PROPOSED NARROW SCOPE AMENDMENTS TO ISQMs, ISAs AND ISRE 2400 (REVISED)

### Guide for Respondents

Comments are requested by **April 8, 2024**.

This template is for providing comments on the Exposure Draft (ED) of proposed Narrow Scope Amendments to the International Standards on Quality Management (ISQMs), the International Standards on Auditing (ISAs) and the International Standard on Review Engagement (ISRE) 2400 (Revised), *Engagements to Review Historical Financial Statements as a Result of the Revisions to the Definitions of Listed Entity and Public Interest Entity (PIE) in the IESBA Code*, in response to the questions set out in the Explanatory Memorandum (EM) to the ED. It also allows for respondent details, demographics and other comments to be provided. Use of the template will facilitate the IAASB's automated collation of the responses.

You may respond to all questions or only selected questions.

To assist our consideration of your comments, please:

- For each question, start by indicating your overall response using the drop-down menu under each question. Then below that include any detailed comments, as indicated.
- When providing comments:
  - Respond directly to the questions.
  - Provide the rationale for your answers. If you disagree with the proposals in the ED, please provide specific reasons for your disagreement and specific suggestions for changes that may be needed to the requirements, application material or appendices. If you agree with the proposals, it will be helpful for the IAASB to be made aware of this view.
  - Identify the specific aspects of the ED that your response relates to, for example, by reference to sections, headings or specific paragraphs in the ED.
  - Avoid inserting tables or text boxes in the template when providing your responses to the questions because this will complicate the automated collation of the responses.
- Submit your comments, using the response template only, without a covering letter or any summary of your key issues, instead identify any key issues, as far as possible, in your responses to the questions.

The response template provides the opportunity to provide details about your organization and, should you choose to do so, any other matters not raised in specific questions that you wish to place on the public record. All responses will be considered a matter of public record and will ultimately be posted on the IAASB website.

Use the “**Submit Comment**” button on the ED [web page](#) to upload the completed template.

**Responses to IAASB’s Request for Comments in the EM for the ED, Proposed Narrow Scope Amendments to ISQMs, ISAs and ISRE 2400 (Revised) as a Result of the Revisions to the Definitions of Listed Entity and PIE in the IESBA Code**

**PART A: Respondent Details and Demographic information**

Your organization’s name (or your name if you are making a submission in your personal capacity)	Grant Thornton International Ltd
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	R. Trent Gazzaway
Name(s) of contact(s) for this submission (or leave blank if the same as above)	Katherine Schamerhorn Claire Revenig
E-mail address(es) of contact(s)	<a href="mailto:Katherine.Schamerhorn@gti.gt.com">Katherine.Schamerhorn@gti.gt.com</a> <a href="mailto:Claire.Revenig@us.gt.com">Claire.Revenig@us.gt.com</a>
Geographical profile that best represents your situation (i.e., from which geographical perspective are you providing feedback on the ED). Select the most appropriate option.	<a href="#">Global</a>
	If “Other”, please clarify
The stakeholder group to which you belong (i.e., from which perspective are you providing feedback on the ED). Select the most appropriate option.	<a href="#">Accounting Firm</a>
	If “Other”, please specify
Should you choose to do so, you may include information about your organization (or yourself, as applicable).	

Should you choose to do so, you may provide overall views or additional background to your submission. **Please note that this is optional.** The IAASB’s preference is that you incorporate all your views in your comments to the questions (also, the last question in Part B allows for raising any other matters in relation to the ED).

**Information, if any, not already included in responding to the questions in Parts B and C:**

## PART B: Responses to Specific Questions in the EM for the ED

*For each question, please start with your overall response by selecting one of the items in the drop-down list under the question. Provide your detailed comments, if any, below as indicated.*

### *Objective for Establishing Differential Requirements for PIEs*

1. Do you agree with establishing the overarching objective and purpose for establishing differential requirements for PIEs proposed in paragraphs A29A–A29B of ISQM 1 and paragraphs A81A–A81B of ISA 200 in the ED? If not, what do you propose and why?

*(See EM Section 1-B, paragraphs 13-18)*

**Overall response:** [Neither agree/disagree, but see comments below](#)

### **Detailed comments (if any):**

We agree with the overarching objective and purpose 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. However, we do not agree with the IAASB's current proposal to adopt IESBA's revised definition of PIE into ISQM 1 and ISA 200. We believe that this project requires further deliberation and reflection by the Board, particularly with respect to considering broader jurisdictional differences in relevant ethical requirements as well as the need for a cost-benefit analysis. Refer to the remaining questions for more specific comments and suggested revisions.

### *Definitions of PIE and "Publicly Traded Entity"*

2. Do you agree with adopting the definitions of PIE and "publicly traded entity" into ISQM 1 and ISA 200 (see proposed paragraphs 16(p)A–16(p)B of ISQM 1 and paragraphs 13(l)A–13(l)B of ISA 200 in the ED)? If not, what do you propose and why?

*(See EM Section 1-C, paragraphs 19-26)*

**Overall response:** [Disagree, with comments below](#)

### **Detailed comments (if any):**

We believe the ISQMs and ISAs should adopt three separate definitions related to entities with a heightened public interest:

- Listed entity – We believe it is appropriate to retain the extant definition of listed entity, as listed entities have clear requirements related to annual reports. Refer to our response to Questions 3D, 4, and 6.
- Publicly traded entity – We believe it is appropriate to adopt the definition of publicly traded entity as proposed in the Listed Entity and PIE Track 2 ED. Refer to our response to Question 3A.
- Public interest entity – We believe the definition of PIE as proposed in the Listed Entity and PIE Track 2 ED is not appropriate or operational. We believe the definition of PIE should be based solely on the definition in relevant ethical requirements, including those related to independence, that apply to the audit or other assurance engagement, as further described below. Refer to our response to Question 6.

While we agree with the definition of “publicly traded entity,” we believe that the definitions of “publicly traded entity” and PIE need to be adopted at the same time in order for practitioners to adopt extended differential requirements in a consistent manner and to avoid potential confusion by the wide range of users and other stakeholders.

#### Concerns with the definition of PIE as proposed in the Listed Entity and PIE Track 2 ED

First, it is unrealistic that the IAASB’s Listed Entity and PIE Track 2 project as exposed for comment will meet its objective to achieve, to the greatest extent possible, convergence between definitions and key concepts in the IESBA Code and the ISQMs and ISAs to maintain interoperability. Adopting the IESBA Code’s definition of PIE into ISQM 1 and ISA 200 to achieve maximum convergence contradicts the IAASB’s overall directive to draft framework neutral, principles-based auditing, quality management, and other assurance and related services standards and incorrectly assumes that all jurisdictions have or will adopt the IESBA Code with no modifications. In jurisdictions that either do not adopt the IESBA Code or adopt the IESBA Code with modifications, the IAASB’s proposal will inevitably cause confusion about whether an entity is a PIE and a significant education effort will be required to explain to entities why there are inconsistencies between the treatment of the entity as a PIE under the relevant ethical and independence requirements and the underlying auditing or other assurance standards with which the engagement is being performed. The proposed changes will require the auditor to do more audit work to support the report for a PIE as defined by ISQM 1 and ISA 200 even though the independence standards do not recognize the entity as a PIE.

For example, the proposed definition of PIE will be an issue in Canada, which adopted the ISAs with relatively minor localization but has not adopted the IESBA Code; instead, each province has adopted its own independence and ethical standards. The Canadian provincial ethical and independence standards currently do not contain a definition of PIE, and the definition of reporting issuers or listed entities (which are defined as public companies) explicitly excludes entities traded on certain exchanges that are deemed to not have a significant public interest. Even if each province separately determines it is in the public interest to adopt the IESBA definition of PIE with refinement as necessary, it is not realistic that the provinces will be able to complete their due process to adopt the notion of PIE before the differential requirements in ISQM and the ISAs become effective. Issues could arise in Canada and other jurisdictions for practitioners performing audits of non-listed entities that meet one of the IAASB’s mandatory PIE categories as proposed in the ED, because conducting an audit under the jurisdiction’s professional standards may lead to non-compliance with the ISAs.

The IESBA Board meeting on March 20, 2024 addressed this matter, and their public meeting papers reaffirm their view that “the responsible local bodies are best placed to decide which entities or class of entities should be scoped in as PIEs given their local knowledge and understanding of the broader issues that impact public expectations [and] recognized that it is ultimately the role of local bodies to refine these categories so that the right entities are scoped in as PIEs” (Agenda Item 8A – PIE Issues and WG Views, March 18-20, 2024 Meeting).

Second, in March 2024, IESBA issued public meeting papers for the March 20, 2024 Board meeting reaffirming their view that “the responsibility for determining which entities or class of entities should be categorized as PIEs rests with legislators or other relevant local bodies [and] therefore agreed that firms should not be required to determine if other entities should be treated as PIEs” (from Agenda Item 8A – PIE Issues and WG Views, March 18-20, 2024 Meeting). As such, we believe the proposed requirements within ISQM 1 and ISA 200 for the firm to identify PIEs is not appropriate and should be deleted.

Third, we did not see discussion of a cost-benefit analysis in this exposure draft. As the IAASB’s Listed Entity and PIE Track 2 project goes beyond operationalizing the IESBA changes (which do not drive audit

or assurance related requirements), a cost-benefit analysis is necessary to evaluate the impact in those jurisdictions that do not have the notion of PIEs in their relevant ethical requirements or have a different definition of PIEs in their relevant ethical standards. The IAASB has not demonstrated that the benefits of extending the proposed requirements to PIEs within its standards outweigh the costs.

Fourth, certain concepts from the IESBA Code were moved to application material in the Listed Entity and PIE Track 2 ED. We believe this is likely to result in an unintended consequence that regulators will infer that the IAASB is setting a definition of PIE and further expect that all examples listed in the ISQM and ISA application material (e.g., those categories listed in ISQM 1, paragraph A29F) are PIEs simply because they are listed in the application material. This unintended consequence could be applied to other paragraphs in the application material. Further, we observed that many PIE examples in the application material relate to pensions. If the IAASB moves forward with including the definition of PIE in the auditing standards as proposed in the ED, which we ultimately do not support, we suggest that the IAASB review the PIE examples used in the application material and revise certain examples to reflect a broader range of PIEs to avoid setting the expectation that pensions are always PIEs as that is not consistent across local jurisdictions' ethical requirements.

#### Suggested revisions to the proposed definitions of PIE:

In the suggested text below, language to delete is shown in strikethrough and new language to add is shown in bold and italic.

#### ISQM 16(p)A and ISA 200 13(l)A

Public interest entity – An entity is a public interest entity ***as defined in the relevant ethical requirements.*** ~~when it falls within any of the following categories~~

- ~~i. A publicly traded entity;~~
- ~~ii. An entity one of whose main functions is to take deposits from the public;~~
- ~~iii. An entity one of whose main functions is to provide insurance to the public; or~~
- ~~iv. An entity specified as such by law, regulation, or professional requirements related to the significance of the public interest in the financial condition of the entity.~~

~~Law, regulation or professional requirements may define more explicitly the categories of entities in (i)–(iii) above.~~

#### ISQM paragraphs 18A, A29G and ISA 200 paragraphs 23A, A81G

These paragraphs should be deleted to achieve the greatest convergence with the IESBA Code, as the IESBA Board is of the view that firms should not be required to determine if other entities should be treated as PIEs.

#### Conforming edits

Various paragraphs in ISQM 1 and the ISAs require revision to conform to the revised definitions of PIE suggested above. We also suggest adding new application material in ISQM 1 and ISA 200 to indicate that law, regulation, or relevant ethical requirements may use terms other than “publicly traded entity” to describe entities in which there is a significant public interest in the financial condition and that the requirements in the ISQMs and ISAs that are relevant to “publicly traded entity” also apply to such entities.

*Differential Requirements in the ISQMs and ISAs*

3A. Do you agree with the IAASB's proposals for extending the extant differential requirements for engagement quality reviews to apply to PIEs (ISQM 1, paragraph 34(f) in the ED)?

*(See EM Section 1-D, paragraphs 27-40 and Appendix 1)*

**Overall response:** [Disagree, with comments below](#)

**Detailed comments (if any):**

If you do not agree, what alternatives do you suggest (please elaborate why you believe such alternatives would be more appropriate, practicable and capable of being consistently applied globally)?

**Detailed comments (if any):**

We do not agree with extending the extant differential requirements for engagement quality reviews to apply to PIEs (ISQM 1, paragraph 34(f) in the ED). The definition of PIE as proposed in the Listed Entity and PIE Track 2 project ED may not be consistent with the definition of PIE for independence requirements, leading to inconsistencies within the auditor's report regarding whether the entity is treated as a PIE or not (see our response to Question 2). Further, extending this requirement to apply to PIEs would contradict the firm's ability to determine whether an engagement quality review is needed using a risk-based framework also taking into consideration the nature of the entity and other factors. In this regard, the proposal may unnecessarily increase the cost of an audit or other assurance engagement.

We believe the differential requirement in ISQM 1, paragraph 34(f) in the ED should only apply to publicly traded entities, which include listed entities as proposed (see our response to Question 2 regarding adoption of these definitions).

3B. Do you agree with the IAASB's proposals for extending the extant differential requirements for communication with TCWG about the firm's system of quality management to apply to PIEs (ISQM 1, paragraph 34(e) in the ED)?

*(See EM Section 1-D, paragraphs 27-38 and Appendix 1)*

**Overall response:** [Agree, with comments below](#)

**Detailed comments (if any):**

If you do not agree, what alternatives do you suggest (please elaborate why you believe such alternatives would be more appropriate, practicable and capable of being consistently applied globally)?

**Detailed comments (if any):**

We agree with the IAASB's proposal for extending the extant differential requirements for communication with TCWG about the firm's system of quality management to apply to PIEs, provided the definition of PIE is revised to align with relevant ethical requirements, including those related to independence. Refer to our response to Question 2. If such requirements do not include a definition of PIE, we agree with extending the requirements related to independence to publicly traded entities, which include listed entities as proposed.

3C. Do you agree with the IAASB's proposals for extending the extant differential requirements for communicating about auditor independence to apply to PIEs (ISA 260 (Revised), paragraphs 17 and 17A, and ISA 700 (Revised), paragraph 40(b) in the ED)?

*(See EM Section 1-D, paragraphs 27-38 and 41-45 and Appendix 1)*

**Overall response:** [Neither agree/disagree, but see comments below](#)

**Detailed comments (if any):**

If you do not agree, what alternatives do you suggest (please elaborate why you believe such alternatives would be more appropriate, practicable and capable of being consistently applied globally)?

**Detailed comments (if any):**

We do not believe it is appropriate to extend the extant requirement in ISA 260 (Revised), paragraph 17 to all entities. Under extant ISAs, the auditor typically addresses or provides the auditor's report, which clearly addresses the auditor's independence, to those charged with governance. The auditor is also required to communicate circumstances that affect the form and content of the auditor's report, if any. Requiring another standalone communication about auditor independence to those charged with governance does not provide incremental information and does not support the Listed Entity and PIE Track 2 project objectives.

We agree with extending the requirements in ISA 260 (Revised), paragraph 17A and ISA 700 (Revised), paragraph 40(b) to PIEs, provided the definition of PIE is revised to align with relevant ethical requirements, including those related to independence. Refer to our response to Question 2. If such requirements do not include a definition of PIE, we agree with extending the requirements related to independence to publicly traded entities, which include listed entities as proposed.

3D. Do you agree with the IAASB's proposals for extending the extant differential requirements for communicating KAM to apply to PIEs (ISA 700 (Revised), paragraphs 30-31, 40(c) and ISA 701, paragraph 5 in the ED)?

*(See EM Section 1-D, paragraphs 27-38 and 46 and Appendix 1)*

**Overall response:** [Disagree, with comments below](#)

**Detailed comments (if any):**

If you do not agree, what alternatives do you suggest (please elaborate why you believe such alternatives would be more appropriate, practicable and capable of being consistently applied globally)?

**Detailed comments (if any):**

We do not agree with extending the extant differential requirements for communicating KAM (ISA 700 (Revised), paragraphs 30-31, 40(c) and ISA 701, paragraph 5 in the ED) to apply to PIEs. The definition of PIE as proposed in the Listed Entity and PIE Track 2 project ED may not be consistent with the definition of PIE for independence requirements, leading to inconsistencies within the auditor's report regarding whether the entity is treated as a PIE or not (see our response to Question 2). Further, the IAASB has not shown that the benefits of communicating KAM outweigh the costs for PIEs or publicly traded entities other than listed entities.

We believe the differential requirement related to communicating KAM should only apply to listed entities. Accordingly, we believe there should be no changes to extant requirements related to communicating KAM, unless a cost-benefit analysis supports extending the requirements to PIEs.

3E. Do you agree with the IAASB's proposals for extending the extant differential requirements for the name of the engagement partner to apply to PIEs (ISA 700 (Revised), paragraphs 46 and 50(I))?  
(See EM Section 1-D, paragraphs 27-38 and Appendix 1)

**Overall response:** [Disagree, with comments below](#)

**Detailed comments (if any):**

If you do not agree, what alternatives do you suggest (please elaborate why you believe such alternatives would be more appropriate, practicable and capable of being consistently applied globally)?

**Detailed comments (if any):**

We do not agree with the proposal to extend the extant differential requirements for the name of the engagement partner to apply to PIEs (ISA 700 (Revised), paragraphs 46 and 50(I)).

We believe the question of requiring disclosure of the name of the engagement partner in the auditor's report is best decided by local jurisdictions based on applicable laws and regulations. Establishing this requirement within ISA 700 does not take into consideration local privacy laws or the potential harm and increased personal liability to the partner based on local litigation laws and practices that may result from providing the engagement partner name in the public domain. For example, in the US, similar requirements proposed in the local jurisdiction were ultimately revised to not include naming the engagement partner in the auditor's report for these reasons. In other jurisdictions where engagement partner names are disclosed, partners have been targeted by emails from activists who have specific agendas.

The overarching project objective of the Listed Entity and PIE Track 2 project is to meet the heightened expectations of stakeholders regarding the audit engagements of PIEs. We do not believe sufficient evidence has been provided to demonstrate a causal relationship between disclosing the name of the engagement partner and enhancing stakeholders' confidence regarding the financial statement audit of the PIE.

We believe the differential requirement related to naming the engagement partner should only apply to listed entities. Accordingly, we believe there should be no changes to extant requirements related to naming the engagement partner.

4. Do you agree with the IAASB's proposal to amend the applicability of the differential requirements for listed entities in ISA 720 (Revised) to apply to "publicly traded entity"? If not, what do you propose and why?

*(See EM Section 1-D, paragraphs 47-51)*

**Overall response:** [Disagree, with comments below](#)

**Detailed comments (if any):**

We do not agree with the proposal to amend the applicability of the differential requirements for listed entities in ISA 720 (Revised) to apply to "publicly traded entity." Historically, the auditor's responsibilities related to other information have been limited to listed entities because the requirements related to annual reports are clearer for such entities. Nevertheless, the requirements in ISA 720 (Revised) have resulted in several issues in practice, which the IAASB has acknowledged. The concept of an annual report may not be as clear for some entities that will be classified as publicly traded. Accordingly, we believe the differential requirements in ISA 720(Revised) should only apply to listed entities and, therefore, there should be no changes to extant requirements in ISA 720 (Revised).

*Proposed Revisions to ISRE 2400 (Revised)*

5. Do you agree with the new requirement and application material in ISRE 2400 (Revised) to provide transparency in the practitioner's review report about the relevant ethical requirements for independence applied for certain entities, such as the independence requirements for PIEs in the IESBA Code? If not, what do you propose and why?

*(See EM Section 1-E, paragraphs 52-57)*

**Overall response:** [Disagree, with comments below](#)

**Detailed comments (if any):**

As noted in Grant Thornton International Ltd's 3 May 2021 response to IESBA's exposure draft to Proposed Revisions to the Definitions of Listed Entity and Public Interest Entity in the Code, we "[do] not support the proposal to include that the entity was treated as a public interest entity in the auditor's report. We are not aware of any investor need for this additional disclosure and it is a boilerplate disclosure that adds nothing to the auditor's report and has the potential to cause confusion to users of the report. In some jurisdictions, the form and content of the auditor's report varies based on the type of entity, which would render additional disclosure irrelevant. We are of the view that any changes to the auditor's report that are not required by law and regulation, should be driven by an analysis of, and response to, the response to the recent IAASB Auditor's Report Implementation Review." Further, we believe that from a user's perspective, the proposed requirement to revise the practitioner's report for ISRE 2400 (Revised) engagements could cause confusion in the context of limited assurance and have the unintended consequence of creating misunderstandings related to the level of work effort performed by the auditor.

#### *Other Matters*

6. Are there any other matters you would like to raise in relation to the ED? If so, please clearly indicate the requirement(s) or application material, or the theme or topic, to which your comment(s) relate.

**Overall response:** [Click to select from dropdown menu](#)

**Detailed comments (if any):**

- Comments related to due process:
  - We do not believe the IAASB's Listed Entity and PIE Track 2 project has achieved the project objectives described in paragraph 6 of the Exposure Memorandum. The proposed definition of PIE does not consider guidance issued by IESBA that there will be jurisdictional differences in the adoption of the IESBA code, including jurisdictions that do not have the notion of PIEs or have different definitions of PIEs. We believe that the IAASB is responsible for establishing framework neutral, principles-based auditing, quality management, and other assurance and related services standards and that it is not in the IAASB's jurisdiction to create a global baseline to define PIE. Further, a cost-benefit analysis is necessary to evaluate the impact in those jurisdictions that do not have the notion of PIEs in their relevant ethical requirements or have a different definition of PIEs in their relevant ethical and independence standards. Finally, the IAASB has not provided sufficient evidence to demonstrate a causal relationship between disclosing the name of the engagement partner and enhancing stakeholders' confidence regarding the financial statement audit of the PIE.

- We do not believe coordination with IESBA during exposure draft development was sufficiently robust, as the issues discussed at IESBA's March 2024 meeting related to PIEs should have been resolved at the board level and appropriate revisions made to the proposed definitions prior to the IAASB board approving the Listed Entity and PIE Track 2 project for exposure.
- As of the date of this response, which is the final day of the comment period, IESBA has not issued clarified guidance related to group audit engagements that will impact firms performing global audits (that is, firms that are members of the forum of firms). As such, we believe that the public should be permitted to submit further responses to the IAASB's Listed Entity and PIE Track 2 project. We suggest re-opening the comment period for a three-week period after IESBA's clarified guidance is published, as there may be additional matters the IAASB might need to consider in finalizing the proposal.
- We believe the IAASB will receive comment letters at both ends of the spectrum expressing strong support for, or strong disagreement with, proposed narrow scope amendments. The jurisdictional differences noted in our letter and issues identified by others need to be fully understood to determine if the proposed amendments are able to be operationalized and implemented consistently. We believe it will be important to the public interest for the IAASB to grasp the feedback from different stakeholders and carefully consider those perspectives as part of the due process in deliberating revisions to the narrow scope amendments proposed in the ED versus focusing on the number of stakeholders that agree versus disagree with the proposed narrow scope amendments.
- As noted in Question 2, we believe the definitions of PIE and "publicly traded entity" would need to be adopted at the same time for practitioners to adopt extended differential requirements.
- Other comments
  - We believe updates to ISRE 2410 cannot be deferred any longer as that standard is commonly used when performing interim reviews for publicly traded entities, including listed entities, and PIEs. Waiting to update ISRE 2410 will lead to inconsistencies in terminology and requirements extended to PIEs and publicly traded entities compared with revisions to the ISQMs and ISAs, which would widen the expectations gap for users. We believe the IAASB should prioritize work on the ISRE 2410 project to begin before H1 2025. We further note that the Glossary of Terms in the Handbook of International Quality Management, Auditing, Review, Other Assurance, and Related Services Pronouncements needs to retain the definition of "listed entity" as listed entities are referred to in ISRE 2410, paragraph 63.
  - We noticed other references to "listed entity" in the Handbook of International Quality Management, Auditing, Review, Other Assurance, and Related Services Pronouncements that were not addressed in this ED. We believe these references should be evaluated and revised, as appropriate, to drive consistency across the IAASB's suite of standards:
    - ISA 600 (Revised)
    - ISA for LCE
    - ISRS 4410
    - A Framework for Audit Quality: Key Elements that Create an Environment for Audit Quality.

## Part C: Request for General Comments

The IAASB is also seeking comments on the matters set out below:

7. Translations—Recognizing that many respondents may intend to translate the final narrow scope amendments for adoption in their own environments, the IAASB welcomes comment on potential translation issues respondents note in reviewing the ED.

**Overall response:** [No response](#)

**Detailed comments (if any):**

8. Effective Date—Given it is preferred to coordinate effective dates with the fraud and going concern projects, the IAASB believes that an appropriate effective date for the narrow scope amendments would be for financial reporting periods beginning approximately 18-24 months after approval of the final narrow scope amendments for Track 2. The IAASB welcomes comments on whether this would provide a sufficient period to support effective implementation of the narrow scope amendments for Track 2 of the listed entity and PIE project.

**Overall response:** [See comments on effective date below](#)

**Detailed comments (if any):**

We agree that it is in the public interest to align the effective dates for the Listed Entity and PIE Track 2 project with the effective dates for the fraud and going concern projects. We believe early adoption of the Listed Entity and PIE Track 2 project should be tied to early adoption of both ISA 570 (Revised) and ISA 240 (Revised) to prevent piecemeal adoption of standards impacting the auditor's report. As noted in Question 2, we believe the definitions of PIE and "publicly traded entity" would need to be adopted at the same time for practitioners to adopt extended differential requirements.