

Response Template for the Invitation to Comment Before the IAASB Finalizes the Narrow Scope Amendments to the ISQMs and ISAs for the IAASB PIE Track 2 Project

Guide for Respondents

Comments are requested by **March 27, 2025**.

This template is for providing comments on the matters set out in the **Invitation to Comment (ITC)** for the pre-final narrow scope amendments to the International Standards on Quality Management (ISQMs) and the International Standards on Auditing (ISAs) as a Result of the Revisions to the Definitions of Listed Entity and Public Interest Entity (PIE) in the IESBA Code. 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 as explained in the ITC, please provide specific reasons for your disagreement. If you agree with the proposals, it will be helpful for the IAASB to be made aware of this view.
 - 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 IAASB [web page](#) to upload the completed template.

Responses to IAASB's ITC for the Pre-Final Narrow Scope Amendments to the ISQMs and ISAs 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)	CNCC
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Cédric Gélard
Name(s) of contact(s) for this submission (or leave blank if the same as above)	
E-mail address(es) of contact(s)	cgelard@dipacint.com
Geographical profile that best represents your situation (i.e., from which geographical perspective are you providing feedback on the ITC). Select the most appropriate option.	Europe
	If "Other", please clarify
The stakeholder group to which you belong (i.e., from which perspective are you providing feedback on the ITC). Select the most appropriate option.	Member body and other professional organization
	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.

Information, if any, not already included in responding to the questions in Part B:

PART B: Responses to Specific Questions in the Invitation to Comment (ITC)

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.

1. You are invited to share any observations that you believe might be relevant to the IAASB prior to finalizing the narrow scope amendments to the ISQMs and ISAs.

Please note:

- This ITC does not extend to and is not inviting comment on the IESBA PIE revisions read together with the IESBA clarification. IESBA's Listed Entity and PIE project is complete.
- If you submitted a comment letter to ED-PIE Track 2 in April 2024, the IAASB has fully considered those responses during its deliberations in September and December 2024; therefore, it is not necessary to repeat comments previously provided. You may believe that a specific matter remains relevant to share as an observation here, in which case the request is that you please clearly relate such matter to the IAASB's decisions and rationale in this Post-Exposure Consultation. (See **Section IV**, paragraphs 23-32, p.19-23)

Overall response: Concur and wish to share the following observations

Detailed comments (if any):

We agree with the definition of Publicly traded entity (Appendix 1, Pre-Final Narrow Scope Amendments to the ISQMs and ISAs as a Result of the Revisions to the Definitions of Listed Entity and PIE in the IESBA Code, paragraph 16 p(B), page 27) but believe that the second part could be clarified as proposed below:

(p)B Publicly traded entity – An entity that issues financial instruments that are transferrable and traded through a publicly accessible market mechanism, including through listing on a stock exchange. A listed entity as defined by relevant securities law or regulation is an example of a publicly traded entity.

For purposes of complying with the ISQMs, if law, regulation or professional requirements define more explicitly a publicly traded entity in a specific jurisdiction, the firm applies that more explicit definition. Law, regulation or professional requirements may for example define publicly traded entities for purposes of defining entities that are considered public interest entities, by making reference to specific public markets for trading securities, incorporating exemptions for specific types of entities, or setting size criteria, the firm applies that more explicit definition.

In addition, the wording of the fourth point of paragraph A2E (Application and Other Explanatory Material, page 30) is confusing and should be clarified by replacing the double negative: *Whether the entity has been specified as not being a publicly traded entity by law, regulation or professional requirements.*

It must be rare that a law specifies that an entity is not a publicly traded entity

Finally, the wording of paragraph A128 (Specified Responses, page 31) and A134 7th bullet in the square (page 34) should be harmonized with the IESBA Code paragraph 400.18.A2: "charities" should be replaced by the definition included in paragraph A13D (Application and Other Explanatory Material, An Audit of Financial Statements page 40):

A13D. In addition, those responsible for setting law, regulation or professional requirements may also designate categories of “public interest entities”. Depending on the facts and circumstances in a specific jurisdiction, such categories may include:

- Pension funds.
- Collective investment vehicles.
- Private entities with large numbers of stakeholders (other than investors).
- Not-for-profit organizations or governmental entities.
- Public utilities.

There is no reason to focus only on “charities” in A128 and A134, while A13D refers to all categories mentioned in paragraph 400.18.A2 of IESBA Code. Additionally, “charities” is not used in paragraph 400.18.A2 of IESBA Code which is referring to “not for profit organizations or governmental entities”.

Specific questions on forward-looking matters (See ITC **Section V**):

2(a). Do you agree with the proposed effective date of the narrow scope amendments, i.e., for audits of financial statements for periods beginning on or after December 15, 2026, to be aligned with the standards from the Going Concern and Fraud projects? (See **Section V**, paragraphs 35-37, p. 24)

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

Detailed comments (if any):

We agree with the proposed effective date but believe that the narrow scope amendments could also be early applied by some firms or jurisdictions.

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, p.22 and **Section V**, paragraph 38, p.24)

Please note: When the decision is revisited, the IAASB will develop an exposure draft for public consultation. Therefore, you do not now need to provide comments or to repeat comments previously provided regarding the extant differential requirements in the ISQMs and ISAs.

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

Detailed comments (if any):

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.

2(c). Do you agree with the proposed timing for revising the matters highlighted in 2(b) above? (See **Section V**, paragraphs 39-41, p.24)

Overall response: Disagree, with comments below

Detailed comments (if any):

Paragraph 40 states that *IAASB staff plans to report back and request the Board for direction in the **second half of 2026** about revisiting the decision (and the process for doing so) 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.*

Considering that the IESBA Work Plan for 2024-2027 states that the post-implementation review of the IESBA PIE revisions is planned to commence in 2027, it would be more relevant to wait for the conclusion of this post-implementation review.

Additionally, as the proposed application date of the narrow scope amendments is for audits of financial statements for periods beginning on or after December 15, 2026, so calendar years 2027, the IAASB will not have the benefit of the lessons learned on challenges raised by first time application in the second half of 2026. Therefore, work on the potential revision of the decision should not start before 2028.