

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)	Deloitte
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Jennifer Haskell
Name(s) of contact(s) for this submission (or leave blank if the same as above)	
E-mail address(es) of contact(s)	jhaskell@deloitte.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.	Global
	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.	Accounting Firm
	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 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.)*

Overall response: [Concur with the IAASB's position and rationale for finalizing the narrow scope amendments \(no further observations\)](#)

Detailed comments (if any):

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.)

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

Detailed comments (if any):

We agree with the proposed effective date of the narrow scope amendments for the reasons outlined by the IAASB in paragraphs 35-37 of the Post-Exposure Consultation. We also believe that early application of the narrow scope amendments should not be expressly prohibited. While we recognize as a matter of practice the IAASB does not explicitly state in its standards that earlier application is permitted, we believe inclusion of such an explicit statement within the Basis for Conclusions and other implementation materials that may be prepared would be appropriate.

- 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.)

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):

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.

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

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

Detailed comments (if any):

We believe that the IAASB's proposed timing in the second half of 2026 to report back and request the Board for direction for revisiting the matters highlighted in 2(b) above is likely premature given the lack of a consistent global definition of PIEs, which then creates a level of inconsistency as to how differential ISA requirements directed towards PIE audit engagements would apply. We believe the Board should not decide whether to revisit this decision until:

- The results of IESBA's *Post-Implementation Review — Definition of Public Interest Entity* are available (the review is planned to commence in 2027);
- The IAASB has undertaken further engagement with stakeholders across different stakeholder groups to better understand the rationales for the benefits and concerns raised by respondents to the ED-PIE Track 2 about extending the application of differential requirements to a broader population of entities, such as PIEs;
- The IAASB has performed other information-gathering activities as deemed appropriate, including, for example, targeted outreach with investors and users of financial statements, two stakeholder groups from whom no written responses to the ED-PIE Track 2 were received and to whom we believe such matters would be of interest; and
- The IAASB has performed a post-implementation review of its Track 1 and Track 2 amendments, the insights from which may further inform related decisions with respect to PIEs.

We believe the collective results of the above activities should inform matters related to the IAASB's decision to revisit the definition of PIEs and application of differential requirements, including matters

such as the (1) status of adoption and implementation of the IESBA PIE definition across jurisdictions; (2) the refinement of the definition at the local level and whether the result is a greater level of uniformity across the globe regarding the types of entities identified as PIE; and (3) whether further stakeholder outreach in the form of public consultation on a discussion paper may be appropriate prior to consideration of a further exposure draft (and the timing of such a discussion paper).