

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)	PricewaterhouseCoopers International Limited
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Wes Bricker
Name(s) of contact(s) for this submission (or leave blank if the same as above)	Wes Bricker and Gilly Lord
E-mail address(es) of contact(s)	wesley.bricker@pwc.com gillian.lord@pwc.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:

N/A

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 and wish to share the following observations

Detailed comments (if any):

We support the IAASB's position and rationale in finalising its proposals for the narrow scope amendments to the ISQMs, ISAs and ISRE 2400 (Revised) arising from the PIE Track 2 project, in particular the decision not to adopt, at this time, the revised IESBA definition of public interest entity.

Notwithstanding, we continue to emphasise the importance of alignment between the IAASB standards and the IESBA Code and the necessity of proactive collaboration between the IAASB and the IESBA on projects that have consequential impacts for both Boards' pronouncements. We therefore support the IAASB's commitment to revisit the decision regarding the adoption of a global PIE definition when global circumstances are such that there is a sufficiently clear basis to support adoption of such a definition. 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).

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 no further comments)

Detailed comments (if any):

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: [Agree, with comments below](#)

Detailed comments (if any):

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.

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

Detailed comments (if any):

With respect to the plan for the IAASB to receive a report from Staff in the second half of 2026 to facilitate providing initial direction on its process for revisiting the PIE decision in its standards, we question whether there will have been meaningful change in the next 12-15 months (during which any research and monitoring of jurisdictional developments will need to take place) to sufficiently inform a way forward. Given the IESBA's post-implementation review is not scheduled to commence until 2027, it seems necessary to await the outcome of that review in order to provide sufficiently robust information, enabling both Boards to jointly evaluate the global landscape and make an informed decision on a way forward.