

RESPONSE TEMPLATE FOR THE ED OF PROPOSED NARROW-SCOPE AMENDMENTS TO IAASB STANDARDS ARISING FROM THE IESBA'S USING THE WORK OF AN EXTERNAL EXPERT PROJECT

Guide for Respondents

Comments are requested by **July 24, 2025**.

This template is for providing comments on the Exposure Draft (ED) of proposed Narrow-Scope Amendments to International Auditing and Assurance Standards Board® (IAASB®) Standards Arising from the International Ethics Standards Board for Accountants' (IESBA) Using the Work of an External Expert project, 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 IAASB Standards Arising from the IESBA's Using the Work of an External Expert Project

PART A: Respondent Details and Demographic information

Your organization's name (or your name if you are making a submission in your personal capacity)	ASEAN Federation of Accountants
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Janoearto Alamsyah
Name(s) of contact(s) for this submission (or leave blank if the same as above)	-
E-mail address(es) of contact(s)	Janoearto@iaiglobal.or.id
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.	<u>Asia Pacific</u>
	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.	<u>Professional accountancy or other professional organization (PAO or similar)</u>
	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 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.

Overall Question

Public Interest Responsiveness

1. Do you agree that the proposed narrow-scope amendments are responsive to the public interest, considering the qualitative standard-setting characteristics and standard-setting actions in the project proposal? If not, why not?

(See EM, Section 1-A)

Overall response: Agree, with comments below

Detailed comments (if any):

The ASEAN Federation of Accountants (AFA) supports the IAASB's intention to align its standards with the recently finalised provisions of the IESBA Code. This alignment is vital to ensure consistency, relevance, and public interest responsiveness—especially given the growing reliance on external experts in areas such as fair value estimates, sustainability reporting, and emerging technologies.

Nonetheless, we share the concerns raised by ACCA and CA ANZ regarding the sequencing and coordination between the IAASB and IESBA in the development of these amendments. A coordinated timeline for standard-setting across the two Boards would have facilitated more comprehensive analysis and simultaneous public consultation, reducing the need for reactive revisions and preserving consistency from the outset.

We also acknowledge the practical implementation challenges highlighted by other stakeholders. In particular, we note the limited availability of suitable independent experts in some jurisdictions and the importance of avoiding overly restrictive interpretations of ethical requirements. We recommend that the IAASB explicitly clarify that external experts may be used where appropriate safeguards are applied to address threats to objectivity. This would alleviate concerns over ambiguity and facilitate a more risk-based, practical application of the competence, capabilities and objectivity (CCO) assessment.

Specific Questions

Proposed Narrow-Scope Amendments to ISA 620¹

2. Do you agree that the proposed narrow-scope amendments to ISA 620 are appropriate to maintain interoperability with the new provisions in the Code related to using the work of an external expert?

(See EM, Section 1-C)

Overall response: Agree, with comments below

¹ International Standard on Auditing (ISA) 620, *Using the Work of an Auditor's Expert*

Detailed comments (if any):

We support the proposed updates to ISA 620, which are necessary to ensure continued interoperability with the revised IESBA Code. We propose that paragraph A17 of ISA 620 be enhanced by including a specific reference to paragraphs R390.19 and R390.20 of the Code. This would provide clearer guidance to auditors on circumstances under which they may need to reassess the suitability of an external expert as the audit progresses.

In line with the points raised by our members, we believe that the IAASB should make explicit that the use of an external expert remains permissible where threats to objectivity exist but can be reduced to an acceptable level through the application of safeguards. This clarity would be particularly valuable in jurisdictions with limited access to qualified experts, and would help maintain audit quality without compromising ethical standards.

If you do not agree, what alternatives do you suggest (please identify the specific paragraphs and be specific as to why you believe the proposals are not appropriate, and why you believe your alternatives would be more appropriate)?

Detailed comments (if any):

Proposed Narrow-Scope Amendments to ISRE 2400 (Revised),² ISAE 3000 (Revised)³ and ISRS 4400 (Revised)⁴

3.1 Do you agree that the proposed narrow-scope amendments to ISRE 2400 (Revised) are consistent with the proposed amendments to ISA 620, and are appropriate to maintain interoperability with the new provisions in the Code related to using the work of an external expert?

(See EM, Section 1-D)

Overall response: Agree, with comments below

Detailed comments (if any):

We support the proposed narrow-scope amendments to ISRE 2400 (Revised), which mirror the logic of the amendments to ISA 620. However, we recommend similar clarification regarding the use of safeguards in the assessment of objectivity. Additionally, we urge the IAASB to consider whether ISRE 2410 also warrants amendment to reflect the implications of ethical requirements on reliance upon external experts in review engagements.

If you do not agree, what alternatives do you suggest (please identify the specific paragraphs and be specific as to why you believe the proposals are not appropriate, and why you believe your alternatives would be more appropriate)?

Detailed comments (if any):

² International Standard on Review Engagements (ISRE) 2400 (Revised), *Engagements to Review Historical Financial Statements*

³ International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*

⁴ International Standards on Related Services (ISRS) 4400 (Revised), *Agreed-upon Procedures Engagements*

3.2 Do you agree that the proposed narrow-scope amendments to ISAE 3000 (Revised) are consistent with the proposed amendments to ISA 620, and are appropriate to maintain interoperability with the new provisions in the Code related to using the work of an external expert?

(See EM, Section 1-E)

Overall response: Agree, with comments below

Detailed comments (if any):

The proposed changes to ISAE 3000 (Revised) are appropriate and largely consistent with ISA 620, albeit applied through supporting application material. As with other standards, we recommend the inclusion of clear references to ethical requirements and the use of safeguards to address threats to objectivity in practice. This would support a consistent and practical interpretation of the revised standards globally.

If you do not agree, what alternatives do you suggest (please identify the specific paragraphs and be specific as to why you believe the proposals are not appropriate, and why you believe your alternatives would be more appropriate)?

Detailed comments (if any):

3.3 Do you agree that the proposed narrow-scope amendments to ISRS 4400 (Revised) are consistent with the proposed amendments to ISA 620, and are appropriate to maintain interoperability with the new provisions in the Code related to using the work of an external expert?

(See EM, Section 1-F)

Overall response: Agree, with comments below

Detailed comments (if any):

We agree with the proposed amendments to ISRS 4400 (Revised). For consistency and clarity, we again recommend that the IAASB explicitly state that external experts may be used in cases where threats to objectivity are identified but effectively mitigated by safeguards. This guidance is particularly important for the ASEAN region, where the market for such experts remains in development.

If you do not agree, what alternatives do you suggest (please identify the specific paragraphs and be specific as to why you believe the proposals are not appropriate, and why you believe your alternatives would be more appropriate)?

Detailed comments (if any):

Other Matters

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

Overall response: Yes, with comments below

Detailed comments (if any):

1. ISRE 2410 – Review of Interim Financial Information:
AFA encourages the IAASB to evaluate whether a minor amendment to ISRE 2410 is warranted to explicitly recognise circumstances in which the assurance provider may be prohibited from relying on the work of an expert due to ethical concerns. Such clarification would provide consistency with the revised IESBA Code and help practitioners exercise appropriate judgement in review engagements.
2. Managing Compliance Gaps with External Experts:
One of the key practical challenges is the ability of professional accountants to obtain the necessary information from external experts, particularly with regard to financial interests, independence, and other ethical matters. As external experts are not typically subject to the IESBA Code, a compliance gap emerges.
3. AFA recommends the IAASB and IESBA:
 - Provide implementation guidance on reasonable actions practitioners can take to meet ethical expectations, including the use of engagement letters or written declarations;
 - Clarify whether such documentation is deemed sufficient under the Code;
 - Engage in outreach to the external expert community to raise awareness of the information needs of professional accountants and their ethical obligations.
4. We believe that such measures would foster better understanding between auditors and experts and support effective and proportionate application of the requirements in practice.

Part C: Request for General Comments

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

5. 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: See comments on translation below

Detailed comments (if any):

We note that the potential ambiguity in the interpretation of objectivity and safeguards could lead to challenges in translation across multiple jurisdictions. Clarifying that safeguards may be applied to

support the use of external experts, even where initial threats to objectivity exist, would help ensure that translations capture the spirit and intent of the standards.

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.

(See *EM*, Section 1-G)

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

Detailed comments (if any):

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.