

EXPOSURE DRAFT OF PROPOSED ISRE 2410 (REVISED), REVIEW OF INTERIM FINANCIAL INFORMATION PERFORMED BY THE INDEPENDENT AUDITOR OF THE ENTITY'S ANNUAL FINANCIAL STATEMENTS

Response Form

Guide for Respondents

Comments are requested by **September 3, 2026**. *Note that requests for extensions of time cannot be accommodated due to the timeline for finalization of this proposed revised standard.*

This form is for providing comments on the Exposure Draft of proposed International Standard on Review Engagements™ (ISRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity's Annual Financial Statements* (ED-2410), in response to the questions set out in the Explanatory Memorandum (EM) to ED-2410. It also allows for respondent details, demographics and other comments to be provided. Use of this form will facilitate the IAASB's analysis of the responses.

You may respond to all questions or only those questions for which you have specific comments.

To assist our consideration and analysis of your comments, please:

- For each question, start by indicating your overall response using the drop-down menu under each question. Include any detailed comments below that, as indicated.
- When providing comments, respond directly to the questions and:
 - Provide the rationale for your answers. If you disagree with the proposals in ED-2410, please provide specific reasons for your disagreement and include specific suggestions for changes (including specific wording) 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 as support for the IAASB's proposals cannot always be inferred when not stated.
 - Be specific about the sections, headings or paragraphs in ED-2410 to which your responses relate.
 - Refrain from inserting tables or text boxes in your responses.

It is not necessary to include a cover letter containing a summary of your key issues. The response form provides the opportunity to include any other views you wish to place on the public record, should you choose to do so. 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 web page for proposed ISRE 2410 \(Revised\)](#) to upload the completed form.

Responses to IAASB's Request for Comments in the EM for ED-2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity's Annual Financial Statements

PART A: Respondent Details and Demographic information

Your organization's name (or your name if you are making a submission in your personal capacity)	The Japanese Institute of Certified Public Accountants (JICPA)
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Akiko Yamanaka, Executive Board Member, Auditing Standards
Name(s) of contact(s) for this submission (or leave blank if the same as above)	Auditing, professional Standards and Practices Division
E-mail address(es) of contact(s)	kansa@sec.jicpa.or.jp
Geographical profile that best represents your situation (i.e., the geographical perspective from which are you providing feedback on ED-2410). Select the most appropriate option.	<u>Asia Pacific</u>
	If "Other", please clarify
The stakeholder group to which you belong (i.e., the perspective from which are you providing feedback on ED-2410). Select the most appropriate option.	<u>Jurisdictional or other standard setter</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, Question 16 in Part B allows for raising any other matters in relation to ED-2410).

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

Click or tap here to enter text.

PART B: Responses to Questions in the EM for ED-2410

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 Impact

1. Do you agree that ED-2410 is **responsive to the public interest**, considering the qualitative standard-setting characteristics and the standard-setting actions in the project proposal?
(See Section I-A and the Appendix in the EM)

Overall response: Agree (with no further comments)

Detailed comments (if any):

Click or tap here to enter text.

2. Do you agree that ED-2410 strikes **an appropriate balance** between the work effort required to express a limited assurance conclusion on the interim review engagement, and more robust requirements in the public interest in certain areas (e.g., going concern, fraud and non-compliance with laws and regulations)? You are invited to include as part of your response insights on **the implications or effects** of implementing the proposed standard.

Overall response: Agree (with no further comments)

Detailed comments (if any):

Click or tap here to enter text.

Professional Skepticism and Professional Judgment

3. Does ED-2410 appropriately address the foundational concepts of professional skepticism and professional judgment, and the importance of applying these concepts throughout the interim review engagement? If not, what more might be needed in this regard?
(See Section I-B, paragraph 22(a) in the EM)

Overall response: Yes (with no further comments)

Detailed comments (if any):

Click or tap here to enter text.

Fundamental Principles of an Interim Review Engagement

4. Does the Introduction section of ED-2410 provide a clear description of the nature and purpose of an interim review engagement, and how it differs from an audit of financial statements, to provide foundational context for the work effort needed to achieve the objective of the engagement?

(See Section I-B in the EM)

Overall response: Yes (with no further comments)

Detailed comments (if any):

Click or tap here to enter text.

5. Is ED-2410 sufficiently clear that while the auditor performs primarily inquiries and analytical procedures, *all procedures* performed for the purpose of achieving the overall objective of the interim review engagement are “review procedures”? If not, what suggestions do you have to make this clearer?

(See Section I-F, paras. 44-47 in the EM)

Overall response: Yes (with no further comments)

Detailed comments (if any):

Click or tap here to enter text.

Approaching an Interim Review Engagement in Accordance with ED-2410

6. Is it sufficiently clear that, for recurring engagements, the auditor leverages the knowledge and understanding obtained from previous annual audits and interim review engagements for the entity? If not, what suggestions do you have to make this clearer?

(See Section I-B and Section I-F, paragraphs 44-52 in the EM)

Overall response: Yes (with no further comments)

Detailed comments (if any):

Click or tap here to enter text.

7. Do you agree with the considerations that apply when the review of interim financial information is the first engagement performed for the audit client? If not, what suggestions do you have for additional considerations related to first-time interim review engagements?

(See Section I-F, paras. 48-52 in the EM)

Overall response: Agree (with no further comments)

Detailed comments (if any):

Click or tap here to enter text.

Materiality

8. Do you agree with the requirement for the auditor to determine materiality for the interim review engagement, and the related application material that describes the relevant principles that apply? If not, what would you suggest?

(See Section I-F, paragraphs 41-43 in the EM)

Overall response: **Disagree, with comments below**

Detailed comments (if any):

Paragraph 42 of the Explanatory Memorandum states, "...the application material highlights that materiality is to be determined by reference to the interim financial information (as distinct from annual financial information) and...". This statement can be interpreted as an explanation that using figures from the interim financial information to calculate the materiality threshold for an interim review is always appropriate. However, we believe that, depending on the nature and circumstances of the interim financial information, considering the objectives of the interim financial reporting system and the needs of users based on those objectives should also be permissible.

For example, in jurisdictions where the disclosure and review of interim financial information are institutionalized, if interim financial information is disclosed on the assumption that annual financial statements will be published—and for the purpose of providing information until those annual financial statements are published—users will use the interim financial information in conjunction with the annual financial statements. In such cases, we believe that users do not necessarily require the auditor, in the review of interim financial information, to design and perform procedures and to form a conclusion based on a materiality threshold derived from the figures in the interim financial information. This is because a materiality threshold derived from the interim figures is significantly lower than one derived at the end of the period.

Therefore, we believe that the second sentence of paragraph A68 of ED-2410 should include examples of "other factors" mentioned therein, such as the objectives of the interim financial reporting system and the needs of users based on those objectives.

Group Interim Review Engagements

9. Overall, do you agree that ED-2410 is capable of being applied for the review of interim financial information of groups? If not, please explain your reasons, and provide suggestions for additional requirements or application material that might be needed.

(See Section I-F, paragraphs 37-40 in the EM)

Overall response: **Agree (with no further comments)**

Detailed comments (if any):

Click or tap here to enter text.

10. Are the requirements in ED-2410 that address specific considerations related to group interim review engagements appropriate? If not, please explain your reasons, and provide suggestions for additional requirements or application material that might be needed.

(See Section I-F, paragraphs 37-40 in the EM)

Overall response: **Yes, with comments below**

Detailed comments (if any):

Paragraph A64 of ED-2410 lists “An element of unpredictability is necessary” as one of the factors that the group auditor should consider when determining the nature, timing, and extent of the involvement of component auditors.

Under the International Standards on Auditing (ISA), consideration of the need for an element of unpredictability is primarily dealt with as a procedure to address the risk of material misstatement due to fraud in ISA 240 (Revised), *The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements*, and ISA 330, *Auditor’s Response to Assessed Risks*. We believe that including this as a consideration for group reviews in ISRE 2410, which governs limited assurance engagements, is inappropriate.

Therefore, we propose deleting the relevant description and, instead, including “The nature and extent of misstatements or control deficiencies identified at a component in prior period audits,” as specified in paragraph A51 of ISA 600 (Revised), *Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)*.

Fraud and Non-Compliance with Laws and Regulations (NOCLAR)

11. Do you agree that the work effort requirements related to fraud and NOCLAR are appropriate and proportionate to the circumstances of an interim review engagement, recognizing that the engagement is performed by the auditor of the entity’s annual financial statements and has responsibilities related to fraud and NOCLAR in the context of that engagement? If not, please explain your reasons, and provide suggestions for the auditor’s approach to fraud and NOCLAR in an interim review engagement.

(See Section I-F, paras. 54-56 in the EM)

Overall response: **Agree, with comments below**

Detailed comments (if any):

The second sentence of paragraph A101 of ED-2410 states “Therefore, when a misstatement due to fraud is identified, the reliability of management’s responses to inquiries and information obtained from other review procedures, and the reliability of written representations to be obtained in accordance with paragraphs 75 and 76, may be called into question.” This statement does not take into account the circumstances in which fraud occurred and could be interpreted to mean that doubts about the reliability of information, including management’s responses, may arise in connection with any misstatement resulting from fraud.

On the other hand, the second and third sentences of paragraph A168 of ISA 240 (Revised) state “For example, an otherwise insignificant fraud may be significant if it involves senior management. In such circumstances, the reliability of information previously obtained and intended to be used as audit evidence may be called into question as there may be doubts about the completeness and truthfulness of representations made and about the authenticity of accounting records and documentation.” Therefore, in paragraph A101 of ISRE 2410, we also propose providing a more specific explanation similar to that in paragraph A168 of ISA 240 (Revised) regarding situations in which doubts may arise about the reliability of information, including management’s responses.

Going Concern

Questions 12 and 13 below address both the auditor’s work effort related to going concern in an interim review engagement and transparency about going concern in the interim review report.

12. Do you agree that the work effort requirements related to going concern are appropriate and proportionate to the circumstances of an interim review engagement, recognizing that the engagement is performed by the auditor of the entity’s annual financial statements and has responsibilities related to going concern in the context of that engagement? If not, please explain your reasons and provide suggestions for how ED-2410 should address the auditor’s responsibilities related to going concern in an interim review engagement.

(See Section I-F, paras. 57-61 in the EM)

Overall response: **Agree (with no further comments)**

Detailed comments (if any):

Click or tap here to enter text.

13. Do you agree with the proposals to introduce a new separate section relating to going concern in the auditor’s interim review report? If not, please explain your reasons and provide suggestions for how ED-2410 should address transparency about going concern in the interim review report.

(See Section I-H, paragraphs 74-79 in the EM)

Overall response: **Agree (with no further comments)**

Detailed comments (if any):

Click or tap here to enter text.

In particular:

- (a) Do you agree with the proposed required statements, appropriately worded for a limited assurance engagement, relating to the going concern basis of accounting and whether a material uncertainty exists? If not, please explain your reasons and provide suggestions for how such statements should be worded in the interim review report.

Overall response: **Agree (with no further comments)**

Detailed comments (if any):

Click or tap here to enter text.

- (b) Do you agree that the circumstances addressed in the requirements in paragraphs 108-111 of ED-2410 capture the most frequently encountered scenarios in practice? If not, please explain your reasons and provide suggestions for any other scenarios that should be addressed in ED-2410.

Overall response: **Agree (with no further comments)**

Detailed comments (if any):

Click or tap here to enter text.

- (c) Do you agree with the requirement in paragraph 111 of ED-2410 to include a reference in the interim review report to disclosure(s) of a going concern matter, other than a material uncertainty (for example, a “close call”) only when the matter is, in the auditor’s professional judgment, of such importance that it is fundamental to users’ understanding of the interim financial information, and to do so in a manner akin to an emphasis of matter paragraph? If not, please explain your reasons and provide suggestions for how such matters should be addressed in ED-2410.

Overall response: **Agree (with no further comments)**

Detailed comments (if any):

Click or tap here to enter text.

The Auditor's Interim Review Report

General

14. Do you agree with the proposed new structure of the auditor's interim review report? In particular, consider whether the new structure may be clearer for intended users of the report since it is consistent with the structure of the auditor's report on the financial statements. If not, please explain your reasons, including any suggestions for how the interim review report can be made clearer for intended users.

(See Section I-H, paragraphs 65-68 in the EM)

Overall response: Agree (with no further comments)

Detailed comments (if any):

Click or tap here to enter text.

The Auditor's Interim Review Conclusion

15. Do you foresee any practical consequences from the approach in ED-2410 that the auditor's interim review conclusion would differ, depending on whether the applicable financial reporting framework is a fair presentation framework or a compliance framework, as defined in paragraph 13(b) of ED-2410? Please be as specific as possible in describing any potential issues and suggestions for how the IAASB may address them.

(See Section I-H, paragraphs 69-73 in the EM)

Overall response: No (with no further comments)

Detailed comments (if any):

Click or tap here to enter text.

Other Matters

16. Are there any other matters you would like to raise in relation to ED-2410? If so, please clearly indicate the specific paragraph numbers of any requirements, application material, or Appendix, to which your comments relate. If you provide views on other matters, please use subheadings in your response to clearly identify and distinguish different matters.

Overall response: Yes, as further explained below

Detailed comments (if any):

The Auditor's Responsibilities section in the Interim Review Report

There has been a proposal to exclude the auditor's responsibilities section from the independent auditor's interim review report on interim financial information; however, we do not agree with this proposal. We believe that establishing only a management responsibilities section would result in an unbalanced structure for the report. ISA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements*, also includes a section on the auditor's responsibilities, and omitting this would result in an inconsistency with ISA 700 (Revised). Furthermore, limited assurance reports based on International Standard on Sustainability

Assurance (ISSA) 5000, *General Requirements for Sustainability Assurance Engagements*, and International Standard on Review Engagements (ISRE) 2400 (Revised), *Engagements to Review Historical Financial Statements*, include both the practitioner's responsibility section and the management's responsibility section. Limited assurance reports based on ISSA 5000 include a section on the basis for the conclusion, a section on the responsibilities of the engagement practitioners, and a section on the responsibilities for the sustainability information. We believe that, with reference to ISSA 5000, consideration should be given to establishing a section on the auditor's responsibilities.

Translations

17. Recognizing that many respondents may intend to translate the final standard for adoption in their own environments, have you identified any potential translation challenges or issues?

If so, please describe the issue identified and clearly indicate the specific paragraph numbers of any requirements, application material, or specific illustrations or appendices to which your comments relate.

Overall response: No

Detailed comments (if any):

Click or tap here to enter text.

Effective Date

18. The IAASB believes that an appropriate implementation period would be approximately 18 months after the expected date of approval of the proposed revised standard. Do you agree that this will provide a sufficient period to support effective implementation of the proposed standard? If not, what do you propose and why?

(See Section I-I, paragraphs 85-86 in the EM)

Overall response: Agree (with no further comments)

Detailed comments (if any):

Click or tap here to enter text.

Questions to Inform the International Ethics Standards Board for Accountants (IESBA)

The IESBA is seeking views from respondents related to the application of the IESBA Code. Respondents for whom these questions are relevant are encouraged answer these questions to inform the IESBA's consideration of the need for any future actions.

(See the Introduction, paragraphs 12-14, and Section I-C in the EM)

Group Interim Review Engagements

E.1. Recognizing that ED-2410 requires the auditor to comply with relevant ethical requirements, including those related to independence, when performing an interim review engagement:

- (a) Given the context set out in Section I-C, paragraph 28, in the EM and taking into account that Part 4A of the Code applies to both audit and review engagements unless otherwise stated, do you believe there is a need to clarify the application of Section 405 with respect to group review engagements, including group interim reviews? If so, please explain why. Also explain what clarifications would be useful and whether they should be made inside or outside the Code.

Overall response: **No (with no further comments)**

Detailed comments (if any):

Click or tap here to enter text.

Non-compliance or Suspected Non-compliance with Laws and Regulations

E.1. Recognizing that ED-2410 requires the auditor to comply with relevant ethical requirements, including those related to independence, when performing an interim review engagement:

- (b) Do you believe the application of the Code as described in Section I-C, paragraph 29, in the EM is clear when information concerning non-compliance or suspected non-compliance with laws and regulations comes to the auditor's attention when performing an interim review engagement? If not, please explain why. Also explain what clarifications would be useful and whether they should be made inside or outside the Code.

Overall response: **Yes (with no further comments)**

Detailed comments (if any):

Click or tap here to enter text.

This document was prepared by the Staff of the International Auditing and Assurance Standards Board (IAASB).

The objective of the IAASB is to serve the public interest by setting high-quality auditing, assurance, and other related services standards and by facilitating the convergence of international and national auditing and assurance standards, thereby enhancing the quality and consistency of practice throughout the world and strengthening public confidence in the global auditing and assurance profession.

The IAASB develops auditing and assurance standards and guidance under a shared standard-setting process involving the Public Interest Oversight Board, which oversees the activities of the IAASB, and the IAASB Stakeholder Advisory Council, which provides public interest input into the development of the standards and guidance.

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