

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)	International Corporate Governance Network (ICGN)
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Wendela Rang, Policy Executive, ICGN Jen Sisson, CEO, ICGN
Name(s) of contact(s) for this submission (or leave blank if the same as above)	
E-mail address(es) of contact(s)	Wendela.rang@icgn.org
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.	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).	Led by investors responsible for assets under management of >US\$90 trillion, ICGN is an authority on global standards of corporate governance and investor stewardship. Headquartered in London, our membership is based in more than 40 countries. ICGN’s <i>Global Governance Principles</i> and <i>Global Stewardship Principles</i> , written from an investor perspective, are widely used by our members in their company assessments and voting decisions, and by regulators when developing corporate governance rules.

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 and wish to share the following observations](#)

Detailed comments (if any):

The International Corporate Governance Network (ICGN) appreciates the opportunity to comment on the International Auditing and Assurance Standards Board's (IAASB) "Invitation to Comment Before the IAASB Finalizes the Narrow Scope Amendments to the ISQMs and ISAs as a Result of the Revisions to the Definitions of Listed Entity and Public Interest Entity in the IESBA Code" ("Post-Exposure Consultation").

We welcome the IAASB's efforts to finalise its proposals for narrow scope amendments to the ISQMs and the ISAs arising from the Public Interest Entity (PIE) Track 2 Project. Robust audit standards are critical to ensure comparable and decision-useful information for investors and other stakeholders, instilling confidence in the quality and reliability of information.

We provide some comments below on the forward-looking matters.

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 proposal to revisit its decision to adopt the definition of PIE in the International Ethics Standards Board (IESBA) Code and extend differential requirements to apply to audits of PIEs, once global adoption and implementation of this definition has progressed. We believe that this approach allows for a more informed assessment of the definition's practical impact.

We welcome the IAASB's ambition to align with the IESBA Code. Consistency between the IAASB and the IESBA on key terminology and concepts is, as recognised in the Post-Exposure Consultation document, essential to support global harmonisation of audit standards, enhancing comparability and clarity for stakeholders across jurisdictions.

In this regard, we encourage the IAASB and the IESBA to work closely together to develop a consistent baseline definition of PIE. Collaboration between the IAASB and the IESBA is crucial, not only in this context but across all projects of importance for both. This is key to ensure consistency in audit practices globally.

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 note that the IAASB staff plan to report back and seek the Board's direction on revisiting these decisions in the second half of 2026. We encourage the IAASB to align its timeline with the IESBA's Post-Implementation Review, set to commence in 2027. This allows alignment with the IESBA Code, as well as ample time for jurisdictional implementation, adoption, and thorough analysis. A shorter timeframe may not allow for an equally comprehensive assessment.