

CIVs and Pension Funds

Does your jurisdiction have requirements or guidance specific to audits of CIVs or pension funds from an auditor independence perspective?

Yes, and provided details

Investors and Analysts

Association of the Luxembourg Fund Industry (ALFI)

Luxembourg has specific detailed legal and regulatory requirements and guidance regarding auditor independence in the context of Collective Investment Vehicles (CIVs) and pension funds.

European Union dimension - Luxembourg is a member of the European Union and follows harmonized audit rules and regulation. The EU Directive 2014/56/EU, amended the existing EU Directive on statutory audits (EU Directive 2006/43/EC). The EU Audit Regulation 537/2014 specifically addresses statutory audits of public interest entities (PIEs), which in Luxembourg includes certain UCITS funds, alternative investment funds and pension funds. The EU Audit Regulation 537/2014 enhances transparency in the audit market and bolster public confidence in the financial statements of these entities. It covers key requirements such as mandatory auditor rotation, restrictions on non-audit services, cooling off periods for audit team members and generally areas such as auditor independence, selection, and supervision of auditors.

In Luxembourg, the Luxembourg Law of 23 July 2016 on the audit profession (Law of 2016) applies. This law implements the EU Audit Directive 2014/56/EU, as mentioned above, which applies to Luxembourg réviseurs d'entreprises agréés ("approved statutory auditors"). The Luxembourg Law of 2016 covers accordingly detailed rules on independence and objectivity, incompatibilities and prohibitions and professional ethics.

Finally, the Luxembourg Regulator in charge of the audit profession is the Commission de Surveillance du Secteur Financier (CSSF). The CSSF provides additional practical guidance in form of circulars to clarify laws and EU regulations, moreover it sets our supervisory expectations and the CSSF may implement new requirements aligning national practice with EU directives and regulations (e.g. CSSF Circular 01/27 (as amended by Circulars CSSF 08/340, 10/484, 11/521 and 21/765) repealed by Circular CSSF 22/821 – CSSF) provides rules and expectations for UCIs and their auditors).

As regards guidance for pension funds, these are structured as ASSEPs and SEPCAVs (regulated under the Law of 13 July 2005), which must appoint a réviseur d'entreprises agréé. These are supervised by the CSSF and are PIEs under the Law of 2016. Here auditors must adhere to stricter independence and rotation requirements, as set out by law.

ALFI believes that the existing framework, supported by European and national law, provides a well-calibrated and effective mechanism for managing auditor independence in the context of CIVs and pension funds. Efforts to refine or clarify guidance should allow flexibility and recognize the diversity of the investment fund structures, the functional roles of service providers, and the strong regulatory environment already in place in Luxembourg.

European Fund and Asset Management Association (EFAMA)

As mentioned above, at the EU level, the local categories of CIVs and Pension Funds can vary from Member State to Member State depending on the circumstances, in particular how they are governed, structured, operated and managed, along with the different local jurisdictional regulations. As the IESBA team has identified in preparing for

this public consultation, certain Investment Scheme frameworks, e.g., Ireland and Luxembourg, ensure that no single third-party service provider “controls” the Investment Scheme.

Without being exhaustive, but to provide some detail to this response, EFAMA can share the following examples.

In Luxembourg, investment funds whose transferable securities are admitted to trading on a regulated market of any Member State within the meaning of point (21) of Article 4(1) of Directive 2014/65/EC) are considered as PIEs. However, unlisted ones, such as UCITS, are not deemed PIEs.

In Portugal, there are no auditor independence rules that apply exclusively to audits of CIVs or pension funds. However, auditor independence is ensured through a robust framework combining general audit regulation with sector-specific supervision. All statutory auditors must comply with the IESBA Code of Ethics. OROC is responsible for assessing audit quality of auditors of non-PIE and CMVM, as public audit oversight authority, is responsible for supervising auditors of PIEs. Although RGA regime does not contain audit-specific provisions, it provides the structure for understanding relationships and roles that may impact independence. In this context, auditor independence in the audits of CIVs and pension funds is effectively safeguarded through the joint role of the OROC and the CMVM, applying the IESBA Code within a strong national legal and supervisory framework.

Impax Asset Management

Hong Kong:

According to the HKICPA Ethics Committee, Hong Kong follows the IESBA Code but also incorporates additional guidance through local regulations. The HKICPA has issued consultation papers on auditor independence for CIVs and pension funds, emphasizing the importance of assessing Connected Parties.

United Kingdom:

The UK FRC enforces strict auditor independence rules, particularly for investment funds regulated under the Financial Conduct Authority (FCA). The UK’s approach aligns closely with the IESBA Code but includes additional restrictions on non-audit services for auditors of investment schemes.

United States:

The US SEC has specific independence rules for ICCs, which govern mutual funds and pension schemes. These rules impose stringent restrictions on auditor relationships with fund managers and affiliated entities.

Given Impax Asset Management’s global operations, it is crucial to consider jurisdictional differences when assessing auditor independence. The IESBA may need to provide additional guidance to ensure consistent application across major economies while allowing flexibility for developing markets.

Our responses above highlight areas where the current framework is effective, as well as considerations for enhancing guidance to ensure consistent application across jurisdictions. Specifically, we emphasise the need for flexibility in developing markets, clearer definitions of indirect relationships and stronger safeguards against non-audit services provided to Connected Parties. We appreciate the IESBA’s efforts in addressing these issues and support its initiative to refine the Code to reflect the evolving landscape of investment schemes.

We encourage the IESBA to continue nurturing such coordination and to ensure that stakeholders, especially those in emerging markets or jurisdictions with different regulatory environments, have sufficient opportunity to engage with these processes. This will help ensure that the standards developed are not only globally consistent but also adaptable to the diverse needs of the global economy.

Regulators and Audit Oversight Authorities

Financial Reporting Council (UK FRC)

In the UK, auditor independence requirements for pension funds and collective investment vehicles (CIVs) are governed by the FRC's Ethical Standard 2024, which constitutes audit-specific regulation rather than sector-specific legislation.

The FRC classifies certain large pension schemes as Other Entities of Public Interest (OEPIs). A pension scheme qualifies as an OEPI if it has both more than 10,000 members, and more than £1 billion of assets (by reference to the most recent set of audited financial statements).

Auditors of such pension schemes are subject to enhanced independence requirements, that mirror those for Public Interest Entities (PIEs), without mandatory firm rotation or the 70% non-audit services fee cap.

While CIVs are not automatically classified as OEPIs, the Ethical Standard 2024 provides specific guidance on managing financial interest threats in the context of diversified collective investment schemes. Notably, the Ethical Standard 2024 makes specific provision to allow the audit firm, each covered person, and any persons closely associated with any such person or the firm to hold an immaterial indirect financial interest through a diversified collective investment scheme for any entity relevant to an engagement for which they (or the person they are closely associated to, where applicable) are:

- (i) a covered person; or
- (ii) an entity which is an affiliate of such an entity; or
- (iii) any other entity otherwise related to such an entity in circumstances where holding such a financial interest may cause or may be perceived by an objective, reasonable and informed third party as causing, a self-interest threat.

There is also further specific provision in the FRC's Ethical Standard 2024 that allows the audit firm, each covered person, and any persons closely associated with any such person or the firm to hold an indirect material financial interest held through a diversified collective investment scheme, in any entity relevant to an engagement in the area of activity in which they (or in the case of a person closely associated, the area of activity in which the covered person with whom they are closely associated) are involved relating to engagements.

These provisions are designed to mitigate self-interest threats by ensuring that such holdings are diversified and indirect, and therefore unlikely to impair independence in the view of an objective, reasonable, and informed third party.

This approach aligns with IESBA's conceptual framework for independence, particularly in addressing financial interest threats through the application of safeguards and materiality thresholds.

Independent Regulatory Board for Auditors (IRBA)

Yes, South Africa has requirements relating to auditor independence with regard to audits of CIVs and pension funds. These include:

R400.23 SA of the IRBA Code defines the categories of public interest entities (PIE), which includes CIVs and pension funds, to meet the purpose outlined in paragraph 400.15 and as mentioned in paragraph (d) of the PIE definition;

Extract of R400.23 SA:

- “(h) Collective Investment Schemes, including hedge funds, as defined in the Collective Investment Schemes Control Act No. 45 of 2002, that hold assets in excess of R30 billion.
- (i) Funds, as defined in the Pension Funds Act No. 24 of 1956, that hold or are otherwise responsible for safeguarding client assets in excess of R30billion.
- (j) Pension Fund Administrators, in terms of Section 13B of the Pension Funds Act No. 24 of 1956, with total assets under administration in excess of R30 billion.”

Section 9 of the Pension Funds Act 24 of 1956:

“Every registered fund shall in the manner set out in its rules appoint an auditor registered under the Auditing Profession Act, 2005 (Act 26 of 2005), who shall not be an officer of the fund, except where the accounts of such a fund in terms of the provisions of any law are to be audited by the Auditor-General.”

Section 73 of the Collective Investment Schemes Control Act 45 of 2002:

“73. Appointment and approval of auditor

- (1) A manager must appoint an auditor for the purpose of auditing the whole of the business of the collective investment scheme administered by it.
- (2) No director or employee of a manager, trustee or custodian and no firm of which any such director or employee is a member may be appointed as an auditor of a collective investment scheme.
- (3) A manager must within 30 days from the date of appointment of an auditor apply to the registrar for approval of such appointment.
- (4) The registrar may withdraw a prior approval of the appointment of an auditor.
- (5) An auditor who has been removed by a manager from his or her office as auditor, must inform the registrar thereof.”

National Association of State Boards of Accountancy (NASBA)

The Consultation Paper identifies the rules and regulations of the U.S. Securities and Exchange Commission as well as the American Institute of Certified Public Accountants and its Code of Professional Conduct. The U.S. Department of Labor also has requirements and guidance related to audits of CIVs and pension funds under the Employee Retirement Income Security Act of 1974 (ERISA).

Jurisdictional Standard Setters

Accounting Professional & Ethical Standards Board (APESB)

The definition of related parties in the IESBA Code is based upon the premise of control (whether direct or indirect) in conjunction with the concept of significant influence. APESB is of the view that this definition may not capture key relationships, roles or entities connected to CIVs, especially in the instance that the CIV is not a listed entity or a related party of a listed entity.

In Australia, measures are in place to establish independence considerations for Managed Investment Schemes (MISs) that are subject to the requirements of the Corporations Act 2001, as well as superannuation funds (e.g., pension funds).

In addition to the auditor needing to comply with the auditor independence requirements in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (APES 110), the Corporations Act 2001 (the Act) sets out specific independence requirements for auditors of responsible entities that operate registered managed investment schemes and Registered Superannuation Entities (RSEs) in Divisions 3, 4 and 5 of Chapter 2M. These requirements broaden the 'audited body' to include connected parties such as responsible entities (Section 324CH(2)) and RSE licensees (Section 324CH(2A)).

The prudential regulator, the Australian Prudential Regulatory Authority (APRA), which oversees superannuation funds, imposes specific regulations for these funds, including requirements related to audits and independence.

Since 1 January 2013, APES 110 has mandated that a broader range of entities must be determined to be PIEs as compared to the IESBA definition. In Australia, this means that entities, or certain categories of entities, are PIEs if they are deposit-taking institutions, insurers, superannuation entities (including the RSE and the RSE Licensees), disclosing entities, and other entities that issue debt or equity instruments to the public. As such, the PIE independence considerations apply to superannuation funds and disclosing entities (which include registered MISs).

The key considerations for auditor independence in Australia are well established and clear for superannuation funds. However, issues may arise if MISs or their structures obscure the parties responsible for management of the scheme's investments and operations.

While Australia has established auditor independence considerations for MISs and superannuation funds, the increasing and significant investments managed through these types of entities create a public interest imperative for globally consistent auditor independence requirements. Separate jurisdictional legislation may not establish a globally consistent approach to independence. Therefore, we support the IESBA in considering whether the current definitions and provisions in the IESBA Code clearly identify the relevant parties of CIVs and Pension Funds to be included in the auditor's independence assessment.

Stakeholder views

Stakeholders provided mixed views on whether the definition of a related party and the IESBA Code capture all relevant parties for CIVs and related entities. Some stakeholders believed that the conceptual framework in the Code provides an adequate framework for considering independence threats arising from these relationships.

Other stakeholders noted that these types of entities may not be captured within the definition of related entities and that it was not explicitly clear how the conceptual framework would apply. These stakeholders believed that further consideration of the provisions in the Code was warranted, and they would support the issuance of guidance on independence considerations for auditors of such entities.

All stakeholders noted that these types of entities are highly regulated in Australia, and there is no evidence of ethical failings related to auditor independence for CIVs and pension funds.

Yes. There are requirements specified in legislation and in APES 110 as detailed in our response to question 1. The regulations are broad, covering both entity-specific and audit-specific requirements.

New Zealand External Reporting Board (XRB)

Yes

MIS, available to the general public, and their licensed MIS managers (in respect of the financial statements of the MIS they manage) are included in the New Zealand definition of a public interest entity and subject to the PIE independence considerations. This is broader than the requirements in the extant IESBA Code.

We also note that this is a highly regulated area and there are specific requirements in New Zealand legislation for what is required to be audited for MIS and KiwiSaver schemes. The FMC Act defines related parties or scheme connected person and the requirements for related party transactions.

Accounting Firms

Pitcher Partners

Yes as listed in the paper in Appendix 2 for Australia

IFAC Member Bodies and Other Professional Accountancy Organizations

American Institute of Certified Public Accountants (AICPA) PEEC

We believe the laws, regulations, and professional standards that exist in the United States are adequate to enable auditors to appropriately identify, assess, and address threats to independence with respect to Investment Schemes. We further believe the conceptual framework provides a consistent approach for evaluating threats that arise from relationships or circumstances that are not specifically covered by those laws, regulations, and professional standards.

The following is a (non-comprehensive) list of regulators, requirements, and guidance in the United States:

Investment Scheme-specific

U.S. Securities and Exchange Commission (SEC) – Investment Company Complex

U.S. Department of Labor (DOL) regulates employee benefit plans that are subject to the Employee Retirement Income Security Act of 1974 (ERISA)

Auditor independence regulation

Party in interest and prohibited transactions – Section 3(14) of ERISA defines a party in interest to include, among others, fiduciaries or employees of the plan, any person who provides services to the plan, an employer whose employees are covered by the plan, an employee organization whose members are covered by the plan, a person who owns 50 percent or more of such an employer or employee organization, or relatives of such persons just mentioned. Certain plan transactions with parties in interest are prohibited under ERISA Sections 406 and 407 and are required, without regard to their materiality, to be disclosed in the plan's annual report to the DOL.

Affiliate guidance: In the case of a plan established or maintained by two or more employers or jointly by one or more employers and one or more employee organizations, the association, committee, joint board of trustees, or other similar group of representatives of the parties who establish or maintain the plan are considered plan affiliates.

U.S. Office of the Comptroller of the Currency – Regulates bank collective funds (collective investment funds) which are not available to public as they are only offered to pension plans.

Audit-specific

SEC (all publicly available funds in the United States are covered by these regulations) – Independence Rule 2-01(b)

U.S. Public Company Accounting Oversight Board – ISB No. 2 Certain Independence Implications of Audits of Mutual Funds and Related Entities

AICPA affiliate definition

U.S. Government Accountability Office – Chapter 3 of Government Auditing Standards includes independence requirements for governmental audits including governmental pension plans.

General guidance

Conceptual Framework for Independence

SEC general standard of independence and four guiding principles: The general standard considers whether a reasonable investor with knowledge of all relevant facts and circumstances would conclude that an accountant is independent. Under the four guiding principles, an auditor cannot function in the role of management, audit the auditor's own work, serve in an advocacy role for the client, or have a mutual or conflicting role with the client.

ASEAN Federation of Accountants (AFA)

Across ASEAN, jurisdictions vary in the degree to which auditor independence requirements for Investment Schemes are addressed through regulation or professional standards, for example:

In Malaysia, unit trust auditors must be independent of fund managers and custodians under Securities Commission regulations.

The regional diversity in implementation highlights the challenge of consistent application of the IESBA Code, especially in emerging markets.

We recommend that the IESBA continue to provide global leadership by issuing adaptable non-authoritative guidance that can be tailored by local regulators. Additionally, facilitating peer learning through jurisdictional case studies or technical support to national standard setters would enhance adoption and compliance.

Assirevi

As recalled in the Consultation Paper, the IESBA's Project Team researched various jurisdictions to obtain insight into how different local laws address potential independence matters involving CIVs/pension funds.

In that context, Assirevi provided the requested overview regarding Italy through a number of documents (IESBA Jurisdictional Questionnaire - Pension Funds and IESBA Jurisdiction Questionnaire – Collective Investment Vehicles (CIV)) previously submitted to the IESBA in May 2024, which are attached to this response for convenience.

Therefore, in response to question no. 6, we do refer to the attached documents, which provide a comprehensive overview of the requested information.

Chamber of Auditors Czech Republic (CACR)

In our jurisdiction there are specific requirements if such entities satisfy definition of a public interest entity.

Chartered Accountants Australia and New Zealand (CA ANZ)

From our outreach activities, the potential concerns described in the CP do not appear to be an issue in our jurisdictions. This is likely due to the industry being highly regulated in Australia and New Zealand, and any

concerns being addressed by the legislative/regulatory frameworks in these jurisdictions – which is our preferred approach instead of amending the Code.

As stated in the CP, the Corporations Act 2001 in Australia contains specific provisions on auditor independence that complement the local Code (APES 110 Code of Ethics for Professional Accountants (including Independence Standards issued by the Accounting Professional & Ethical Standards Board (APESB)). Under the Act, certain provisions require the audit firm to treat the “responsible entity” (which acts as trustee and manager and is legally distinct from the CIV) and its directors as part of the “audited body”. Section 324CH(1) outlines relevant relationships for applying the auditor independence requirements in sections 324CE, 324CF, and 324CG. Furthermore, section 324CH(2) specifies that if the audited body is a registered scheme (a type of CIV) then the responsible entity is included within the scope of the audited body for specific provisions. Similar requirements apply to registrable superannuation entities (a type of pension fund).

In New Zealand, while there are no auditor independence requirements in legislation – it is left to the local Code (PES 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the External Reporting Board (XRB)) – it is a small market. There are only a few, large, custodians and an equally small group of trustees/supervisors (five) – therefore any issues would be easily detected and addressed.

Chartered Accountants Ireland (CAI)

While there are no Irish requirements or guidance specific to audits of CIVs and pension funds from an auditor independence perspective, the European Contact Group (represents the six largest international professional services networks in Europe: BDO, Deloitte, EY, Grant Thornton, KPMG and PwC) provides guidance for Public Interest Entities (PIEs), (including funds) in the comprehensive ECG FAQs, because although the legislation is final, the language is unclear in many places.

In addition, the Central Bank of Ireland (CBI), has a robust legal and regulatory framework that applies to Irish collective investment schemes and pension funds. The regulatory framework includes detailed governance and risk management requirements for fund structures and the use of third-party service providers. The regulatory framework in Ireland also includes Regulation (EU) No. 537/2014 on statutory audit and the Irish Auditing and Accounting Supervisory Authority’s (IAASA) Ethical Standard for Auditors, both of which impose rigorous independence requirements, including those concerning affiliates and connected parties.

Pension funds are managed on behalf of pension schemes and the EU’s Institutions for Occupational Retirement Provision II (IORP II) applies in Ireland. As a regulator, the Irish Pensions Authority has a statutory duty to supervise Irish Pension Schemes, to ensure they are IORP II compliant. This involves ensuring robust governance procedures are in place, including effective risk management, monitoring of investment management, scheme administration, managing conflicts of interest, reporting and ensuring the independence of the external auditor.

More broadly, Irish companies are also subject to the Companies Act 2014, which imposes core governance duties on directors and boards, including oversight of financial reporting and auditor independence. These requirements complement the ethical and independence obligations placed on auditors. As such, the regulatory ecosystem in Ireland already provides strong safeguards against undue influence or conflicts of interest in the audit of CIVs and pension funds. Any changes to the Code would need to take account of this existing structure to avoid duplication, misalignment, or unintended regulatory conflict.

It is also important to recognise that a proportion of investment funds serviced in Ireland are not Irish-domiciled, including EU-domiciled funds (e.g. Luxembourg) and US funds. These funds may be structured and governed under the laws of their home jurisdiction while availing of Irish-based administration, custody, management

company, and other professional services. In such cases, the appointment and oversight of the auditor remain subject to the governance and legal framework of the fund's domicile, not Irish law. This reinforces the need for the Code to remain principles-based and globally operable, avoiding prescriptive definitions or requirements that may conflict with or duplicate rules already in force in the fund's home jurisdiction.

Chartered Professional Accountants Canada (CPAC)

In Canada, CIVs that are accessible to the general public are "reporting issuers", and subject to additional auditor independence requirements that are no less stringent than those applicable to public interest entities in the IESBA Code.

Therefore, in Canada, an auditor's independence assessment for a CIV (mutual fund) would capture all of its related entities:

Canadian provincial securities laws include mutual funds available to the general public as "reporting issuers"

Canadian provincial CPA body Codes of Conduct include enhanced independence requirements that are applicable to audits of "reporting issuers"

Governance requirements of mutual funds also exist in Canadian provincial securities legislation, including that all mutual funds must be overseen by Independent Review Committee (IRC), that is ultimately responsible for all decision-making and financial reporting.

Canada does not have requirements or guidance specific to audits of pension plans, but regulation for pension plans includes governance and oversight requirements similar to those for mutual funds.

Compagnie Nationale des Commissaires aux Comptes (CNCC)

ANNEXN°1

Applying Section 510 of the Code

in the Context of the Pension and Saving Environment in France

Context

French retirement benefits are primarily funded through public systems, excluding employer- managed pension funds. To complement public systems and encourage long-term savings for French employees, dedicated systems such as "assurance vie" (life insurance) and "plan epargne retraite" (retirement saving plans) have been established associated with tax incentives. Both are saving systems, not insurance schemes, although elements of insurance can be combined. Tax benefits can be enjoyed when savings are held for a long period under these schemes (8 years for life insurance, up to retirement for retirement saving plans).

The return to the investor depends on the performance of the underlying funds. These funds can be either external to the insurer (invested in collective investment vehicles only), internal to the insurer, or a combination of both.

Scheme Characteristics

The collective investment funds remain solely owned by the insurance company or the barik sponsoring the scheme. The investor benefits only from the performance of the underlying funds.

The scheme is designed so that the management of the savings (the underlying funds) can be either under the sole control of the fund manager (the most popular setup) or managed by the beneficial owner themselves.

When managed by a fund manager, the manager provides management contracts to make investment decisions depending on the investor's risk profile and risk appetite. In such instances, both the investor and the manager are legally precluded from contacting each other. Therefore, the investor cannot influence the manager's decisions and is only informed of the investment decisions made, ex post, usually on a quarterly or annual basis.

The scheme takes the legal form of a dedicated individual "assurance" contract, where the underlying funds invested are recorded. The fund manager manages many individual contracts collectively for investors sharing the same investment profile. Unfortunately, considering the characteristics of the scheme, it does not meet the definition of a "collective investment vehicle" (the vehicle is individual, not collective) although it shares de facto similar characteristics.

Application of Section 510

Applying Section 510 of the Code (Financial interest) raises concerns in the context of individual pension funds and life insurance savings schemes in France. We understand that other jurisdictions face similar issues.

The code leads audit firms to develop processes to monitor the financial interests of the Firm's partners and staff, including their direct family members. Partners and staff must timely input all their financial interests (as well as those of their direct family) into a dedicated application to potentially match these with the list of restricted clients of the Firm. When required, the system initiates actions for partners and staff to either not invest in or divest from restricted clients.

NATIONALE DES COMMISSA IRES Aux COMPTES

Although investment in such schemes, where the investor cannot influence the manager's decision, shares the same characteristics as an "indirect financial interest through an intermediary such as a collective investment vehicle, an estate or a trust" (§510.3. A1), the Code does not recognize them as such. Therefore, they cannot benefit from the derogation granted to indirect financial interest. Partners and staff (along with their direct family members) are unable to obtain the required information to maintain their financial interests in the Firm's internal monitoring platforms and thus cannot meet their monitoring requirements.

Proposition

We consider that, under these circumstances, the underlying funds invested in such a scheme share the same characteristics as indirect financial interests and should benefit from the same treatment. This situation should be clarified in the Code. This should lead the Board to consider a narrow-scope amendment to resolve this issue and include a new paragraph (equivalent to § 510.7 for financial interest held as a trustee) to specifically address these situations.

A draft of such a paragraph may be as follows:

NATIONALE DF.S COMMISSAIRES AUX COMPTES

Different regulated and independent stakeholders playing a critical part in the collective investment environment

A concentrated market

The French asset managers rank among the European leaders in term of deposits under management. The French market is also characterized by a high concentration of collective investments vehicles (CIV) managed by few asset managers held mainly by the major French banks or managed by French insurers.

CIV are managed by asset managers which are both approved and supervised by the Autorite des Marches Financiers (AMF), the French independent stock exchange regulator. Asset managers are investment service providers whose primary activity is management on behalf of third parties (individual through a management mandate, or collective through a UCITS). Funds managed by asset managers are either corporate entities or co-

ownership of securities and are governed by two European directives: the UCITS Directive and the AIFM Directive. The Autorite des Marches Financiers regulates the French financial marketplace, its participants, and the investment products distributed via the markets. As an independent public authority, it has regulatory powers and a high level of financial and managerial independence. The AMF intervenes to regulate financial markets and market infrastructures, and collective investment products invested in financial instruments.

Different regulated and independent stakeholders playing a critical part in the collective investment environment

In France, the collective investment environment is characterized by the presence of different stakeholders, both independent and regulated, overseeing the asset managers and the funds they manage. This environment's operation is based on precise regulations defined by the Autorite des Marches Financiers. Moreover, full membership of one of the professional associations is required for asset managers. These associations issue a code of ethics approved by the AMF and addressing the risk of conflict of interest. The asset manager shall comply with this code.

Asset managers operate under the supervision of the AMF. This means that these companies must be approved by the AMF to conduct their activities. The same principle applies to the funds they manage. Each asset manager must appoint a Chief Compliance Officer (Responsable de la Conformite et du Controle Interne, RCCI). The RCCI is independent of the asset manager and must have the means, both technical and in terms of human resources, to carry out its mission, which includes ensuring the asset managers' compliance with applicable laws and regulations, professional rules, and internal policies and procedures. To operate, the RCCI must hold a professional card issued by the AMF after passing an examination organized by the French independent public authority.

The assets managed by the CIV are deposited with a custodian (the "depositaire"), a credit institution approved and supervised by another independent public authority: the prudential regulator (the Autorite de Controle Prudentiel et de Resolution (ACPR)). The custodian must also ensure that the funds comply with the management standards set by the AMF. It must inform the latter in the event of non-compliance with these standards or persistent discrepancies.

The custodian may also act as a custodian of securities (the Conservateur). The custodian's role is to manage the life of the security: settlement and/or delivery of securities, and management of dividends or coupon payments.

For the funds under the European AIFM Directive, the asset manager must use an independent valuator to carry out the valuation of the assets and must notify it to the AMF.

The asset manager may also delegate back- and middle-office tasks to a fund administrator (the Administrateur de fonds). These tasks may include, on the asset side, valuing assets' funds and calculating their net asset value, and on the liability side, centralizing and valuing subscription/redemption orders and maintaining the fund issue account. Although delegated, the asset manager remains responsible for fund administration.

It clearly appears that the operations (mainly investment order, accounting, valuation, monitoring) managed by the asset managers involve different independent and regulated stakeholders. We strongly believe that the concept of "connected parties" in such an environment could lead to further concentration on the audit market of CIVs or even to a total blockage of the audit market of the concept of "connected parties" narrowing the choice of audit firms that can be appointed for the statutory audit.

CPA Australia

CPA Australia represents the diverse interests of more than 175,000 members working in over 100 jurisdictions and regions around the world. While our members provide audit and assurance services to Investment Schemes

globally, the majority of our members who provide such services will do so in Australia. We recognise that jurisdictional responses to independence will differ for our members.

As set out in the Consultation Paper, in Australia, the primary corporation legislation in Australia, Corporations Act 2001 (the Act), provides for Managed Investment Schemes (MIS) which are regulated by the Australian Securities and Investments Commission. The operator of an MIS is the ‘responsible entity’. The Act identifies relationships between the auditor and the audit client which are relevant for the application of auditor independence provisions in the Act. This includes any relationship between the auditor of an MIS and the responsible entity, a current or former director or employee of the MIS, a person currently or formally involved in the management of the MIS, or a person currently or formerly involved in the management of the responsible entity. The MIS, referred to as the ‘audited body’ in the Act includes the responsible entity in the determination of a relevant relationship for the purposes of applying the auditor independence requirements of the Act.

Hong Kong Institute of Certified Public Accountants (HKICPA)

In Hong Kong, section 5 of the UT Code stipulates that auditors must be independent of the management company, the trustee/custodian, and, in the case of a mutual fund corporation, the directors (paragraph 5.16). This requirement is specific to unit trusts and mutual funds authorized by the SFC. However, the SFC Code does not provide further guidance on the extent and scope of such auditor’s independence requirements. As a result, auditors of CIS are required to exercise their professional judgment to ensure their independence in accordance with the SFC Code.

Institute of Certified Public Accountants of Kenya (ICPAK)

In Kenya, auditor independence for collective investment vehicles (CIVs) and pension funds is underpinned by both the general audit framework and industry-specific regulations. Under the Accountants Act and the ICPAK Code of Ethics—which incorporate the IESBA Conceptual Framework—every auditor must evaluate and manage threats to independence, including self-interest, self-review, and intimidation, regardless of the client type. These overarching rules establish a baseline of ethical and professional standards for all engagements in Kenya.

Beyond these general requirements, the Capital Markets Authority’s Collective Investment Schemes Regulations and the Retirement Benefits Authority’s Approved Schemes Regulations impose additional, scheme-specific independence obligations. For CIVs, the CMA mandates that each fund appoint an external auditor who is completely independent of both the scheme and its management company. Although the same audit firm may service both entities, different engagement partners or senior team members must be used if any individual has a financial interest in the manager.

Meanwhile, pension-scheme auditors must declare their independence annually to the RBA, confirm they have no financial or familial ties to trustees or sponsors, and rotate the engagement partner every five years to guard against familiarity threats. Together, these layered requirements ensure that auditors of Kenya’s CIVs and pension funds remain free from conflicts of interest and uphold the highest standards of objectivity.

Institute of Certified Public Accountants of Uganda (ICPAU)

In Uganda, both the Collective Investment Schemes (CIVs) and Pension Funds are categorised as public interest entities. As such all the provisions of the Code regarding the audits of public interest entities are applicable to these entities. Auditors of Investment Schemes in Uganda therefore have to adhere to the provisions, especially with regard to the evaluation of threats to independence, rotation of audit partners, the provision of non-assurance

services like valuation and actuarial services to Investment Scheme audit clients as well as the need for enhanced audit documentation.

The Ugandan regulatory framework for Investment Schemes is such that:

The appointment and rotation of auditors is governed by the Capital Markets Authority regulations such as the Collective Investment Schemes (Financial and Accounting) Regulations 2003. These Regulations limit audits of Collective Schemes to auditors with valid practicing certificates issued by ICPAU and restrict the terms of these auditors to a period of 4 years.

Pension funds are primarily governed by the Uganda Retirement Benefits Regulatory Authority Act, Cap. 232. The Act empowers the trustees of Pension Funds to appoint auditors with the approval of the Board. S. 64(2) of the Act specifically restricts members, trustees, custodians, administrators or fund managers of Pension Funds from being appointed as auditors. This move is aimed at ensuring the independence of the appointed auditors.

Institute of Chartered Accountants of Jamaica (ICAJ)

Yes, Jamaica has regulatory requirements that impact auditor independence in relation to the audits of Collective Investment Vehicles (CIVs) and pension funds. While Jamaica has adopted the IESBA Code of Ethics for Professional Accountants (as issued by the Public Accountancy Board), additional guidance and requirements are embedded in sector-specific legislation and regulatory oversight frameworks.

For pension funds, the Pensions (Superannuation Funds and Retirement Schemes) Act and related regulations administered by the Financial Services Commission (FSC) impose governance and oversight obligations, including the requirement for the appointment of an independent auditor. The FSC Guidelines emphasize the avoidance of conflicts of interest, and auditors must confirm their independence to the trustees and the Commission.

For CIVs, such as unit trusts and mutual funds, regulated under the Securities Act, the FSC also requires disclosure of any potential conflicts of interest between the auditor, fund administrator, or investment manager. Although the legislation does not prescribe detailed auditor independence provisions, the FSC expects compliance with the IESBA Code and may take regulatory action if independence is impaired.

In both cases, there is an implicit expectation that auditors evaluate independence threats where a Connected Party (e.g., fund manager or administrator) has significant influence over the fund's operations or financial reporting—consistent with paragraph 35 of the IESBA Code. However, there is no separate Jamaican auditing standard or binding guideline specific to CIVs or pension funds that goes beyond what is already required under the IESBA framework.

Institute of Chartered Accountants of Pakistan (ICAP)

Under our local regulatory framework, the Securities and Exchange Commission of Pakistan (SECP) has issued 'Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003', the 'Non-Banking Finance Companies and Notified Entities Regulations, 2008' (NBFC Regulations, 2008) (Part IV - Asset Management Services, Investment Advisory Services and Collective Investment Scheme) and the 'Voluntary Pension System Rules, 2005), through which auditors of CIVs and pension funds are held to high standards of transparency, fiduciary care, and professional skepticism. Violations can lead to disqualification, penalties, and reputational damage.

The NBFC Regulations, 2008 (which govern mutual funds and CISs) and the Voluntary Pension System Rules, 2005 specify that: The auditor must not be associated with the AMC or fund manager in any executive, consulting, or decision-making role.

Further, SECP Circular No. 3 of 2024 outlines the process for appointing external auditors from a pre-approved list published by the SECP for high-asset entities regulated by the It aims to enhance the quality, credibility, and independence of audits conducted for entities managing substantial assets or holding public trust. The list comprises firms with positive QCR ratings, and compliance with IFAC's Code of Ethics and ISAs.

The above circular applies to Listed companies, Non-Banking Finance Companies (NBFCs), Collective Investment Schemes (CIS), Pension Funds, Insurance companies and other entities as notified by SECP whose total assets exceed the regulatory threshold. Where applicable, audit firms must be rotated after a fixed term (commonly 5 years), followed by a cooling-off period before reappointment.

Institute of Singapore Chartered Accountants (ISCA)

In Singapore, there are no specific requirements for audits of CIVs/pension funds outside of those regulated by the Monetary Authority of Singapore (MAS) or are caught by virtue of their listing status. The Singapore (SG) definition of a public interest entity (PIE) includes amongst others, any "financial institution" (FI) regulated by the MAS as defined in the Glossary of ACRA Code/EP 100, except for a handful whose main functions do not involve taking deposits from or providing insurance to the public.

FIs that fall within the scope of the SG PIE definition include trustee-managers of listed registered business trusts (BTs), Capital Markets Services (CMS) licensees, approved Collective Investment Scheme (CIS) trustees and licensed trust companies which could be CIVs. In addition, under the ACRA Code/EP 100, the audits of the financial statements of listed BTs and listed real estate investment trusts are required to be conducted in compliance with the same independence rules that apply to the audit of the financial statements of a PIE.

CIS by approved CIS trustees and funds managed by CMS licensees including fund managers do not fall within the scope of the SG PIE definition.

Intitut Der Wirtschaftsprüfer (IDW)

In Germany, the legal framework for CIVs is based on the EU model, which differentiates between Undertakings for Collective Investment in Transferable Securities (UCITS), for which the equivalent in Germany is Organismus für gemeinsame Anlagen in Wertpapiere (OGAW), and Alternative Investment Funds (AIF).

Both OGAW and AIF can be divided into contract-based funds, which are not legal persons, and corporate funds (so-called funds in corporate or statutory form), which are legal persons.

For contract-based funds, there is a separate asset management company. Corporate funds can have a separate asset management company but can also be their own asset management company.

The asset management company has the primary responsibility for the decision making and operations of the fund including preparation of its accounting records and financial statements.

In the case of corporate funds, they are subject to corporate reporting and audit requirements, including requirements for auditor independence. In the case where corporate funds are their own asset management company, the independence requirements automatically cover the asset management company.

For contract-based funds and corporate funds that are not their own asset management company, there are comparable accounting, reporting and audit requirements in the German Investment Code that are the responsibility of the separate asset management company. In these cases, the independence requirements cover both the fund and the asset management company.

Existing independence requirements therefore mostly cover parties that fulfil the “connected party” criteria in the consultation paper for investment funds established in Germany.

It is worth pointing out here that custodians, regardless of whether they could be considered “connected parties”, are not covered by auditor independence requirements in Germany because of their own regulation. Extension to custodians would also lead to the danger of independence “gridlock” as discussed in Q2 above.

As for other corporate structures, the law does not attempt to actively cover all possible parties for which there might conceivably be independence issues. Instead, a general principle applies that requires the auditor to maintain their independence. We consider this approach to be consistent with independence considerations for audit clients that are not CIVs.

Post-employment benefits in Germany are included in a variety of legal structures.

The most common occupational pension arrangements are:

Direct on-balance-sheet pension obligations from employers, often backed by a separate reinsurance policy (Rückdeckungsversicherung) to cover their liabilities and contributions to the German Pension Protection Fund (Pensionssicherungsverein). Audit requirements, including independence requirements, apply to the auditor of the financial statements of the employer and the insurers. The German Pension Protection Fund financial statements are also subject to audit and the auditor must comply with independence requirements.

Direct insurance (Direktversicherung) off-balance-sheet insurance policy taken out by employers for their employees. Relevant audit requirements apply to the insurer.

Occupational pension fund under German law (Pensionskasse). The occupational pension fund is usually funded by employer or employee contributions and regulated under insurance supervision laws. Audit requirements apply, including independence requirements.

Other structures exist with different characteristics, including support funds (Unterstützungskassen), contractual trust arrangements (Treuhandmodell), occupational pension schemes for liberal professions (Versorgungswerke) and other vehicles, for which audit requirements depend on the structure and how they are set up.

There are also pension arrangements that are non-occupational, including:

The state-run public pension insurance system. This is audited by the federal court of auditors in compliance with public-sector requirements for auditors.

State subsidised private contract (Riester-Rente). Audit requirements dependent on who is the provider and may also include CIVs.

Traditional or unit-linked annuities (Private Renten und Lebensversicherungen). Audit requirements including independence requirements according to insurance supervision laws.

Japanese Institute of Chartered Accountants (JICPA)

The JICPA Code of Ethics does not contain any provisions that go beyond the provisions in the IESBA Code in relation to the audit of investment schemes. On the other hand, as commented in Question 4, for audit engagements of investment schemes that do not have organizational or governance structures similar to

conventional corporate structures, there is a well-established practice in Japan whereby the auditor of an investment trust is independent of both the investment trusts and the investment trust management company, and the auditor of an investment limited partnership is independent of both the investment limited partnership and its unlimited liability partners.

Malaysian Institute of Accountants (MIA)

In Malaysia, the regulation of collective investment schemes generally falls under the purview of the Securities Commission Malaysia (SC). The SC issues the Capital Markets and Services Act 2007 as well as specific guidelines for such investment schemes. While these guidelines generally govern various aspects of the investment schemes and its operations, they do not specifically address auditor independence.

Generally, auditor independence falls under the requirements of the MIA By-Laws, which are substantially based on the IESBA Code of Ethics and contain the same definition of audit client and related entity.

Pan African Federation for Accountants (PAFA)

Across Africa, regulatory frameworks governing auditor independence for Collective Investment Vehicles (CIVs) and pension funds are uneven and generally lack sector-specific precision. While most jurisdictions adopt ethical standards aligned with the IESBA Code, few have enforceable, tailored regulations that directly address the unique risks posed by these schemes.

In Zimbabwe, for instance, there are no sector-specific requirements for auditor independence in relation to CIVs or pension funds. The general framework under the PAAB Code of Ethics—aligned with the IESBA Code applies to all entities. While regulators such as IPEC and SECZim may issue circulars and compliance expectations, these are interpretative and not binding, leaving a gap in enforceable, scheme-specific standards.

In Mauritius, there is a more defined structure: the Financial Reporting Act 2004 and the guidance issued by the Financial Reporting Council (FRC) provide for auditor independence and extend these requirements to CIVs and pension funds. However, the depth and specificity of these provisions vary in their implementation.

Morocco has implemented the 2013 OEC Code of Ethics, adapted from the 2009 IESBA Code, and additional oversight comes from AMMC regulations for CIVs. Yet these instruments do not provide comprehensive guidance specific to the independence risks of complex CIV and pension fund structures, especially where third-party service providers are involved.

In South Africa, the Independent Regulatory Board for Auditors (IRBA) and Financial Sector Conduct Authority (FSCA) provide a more developed framework for auditor independence. Some sector-specific standards exist, particularly for financial institutions, but they are not always uniformly applied to the variety of fund structures such as living annuities, pension preservation funds, or unit trusts.

Pennsylvania Institute of CPAs (PICPA)

The United States has an extensive legal and regulatory environment covering CIVs and pension funds, which include specific independence rules. We refer to the response from the AICPA that highlights these entities in greater detail.

Saudi Organization for Chartered and Professional Accountants (SOCPA)

Except for the Capital Market Authority (CMA) regulations for investment funds, Saudi Arabia does not currently have comprehensive, CIV or pension fund-specific auditor independence rules beyond the requirements in the SOCPA Code of Ethics, which is based on the IESBA Code.

CMA regulations require fund managers to appoint independent auditors, but do not explicitly define or regulate independence in relation to third-party service providers, such as custodians or investment advisors.

South African Institute of Chartered Accountants (SAICA)

Yes, SAICA adopted the Revision to the Definitions of Listed Entity and Public Interest Entity to the SAICA Code effective 15 December 2024. The definition of Public Interest Entity in the SAICA Code includes amongst others:

Collective Investment Schemes, including hedge funds, as defined in the Collective

Investment Schemes Control Act No. 45 of 2002, that hold assets in excess of R30 billion.

Funds, as defined in the Pension Funds Act No. 24 of 1956, that hold or are

otherwise responsible for safeguarding client assets in excess of R30 billion.

Pension Fund Administrators, in terms of Section 13B of the Pension Funds Act No. 24 of 1956, with total assets under administration in excess of R30 billion.

The above is also included in the Independent Regulators Board for Auditors' Code of Professional Conduct for Registered Auditors.

Furthermore, in South Africa there are specific requirements addressing auditor independence in the context of CIVs and pension funds. These are typically embedded in financial sector regulations or fund-specific legislation rather than audit-specific standards. These provisions often go beyond the Code by explicitly including certain Connected Parties within the scope of the independence assessment.

From the regulation side, the following address auditors' independence to a certain extent:

Collective Investment Schemes Control Act, section 73; and

Pension Fund Act, section 9.

As a result, South Africa has independence requirements for auditors of CIVs and Pension Funds.

Wirtschaftsprüferkammer (WPK)

Whereas there are specific regulations relating to the audit of PIEs, including the independence of auditors, there are no such separate or additional regulations for CIVs/pension funds in Germany.

The general auditor independence provisions of Sec. 319 para. 2 of the German Commercial Code (HGB) that have been derived from the conceptual framework of the IESBA Code are also applied to such structures as CIVs and pension funds.

The WPK is not aware of any severe independence breaches in Germany that can be attributed to a lack of specific rules for CIVs/pension funds or a gap in the definition of parties to be considered in the independence assessment of auditors.

No Specific requirements

Regulators and Audit Oversight Authorities

Botswana Accountancy Oversight Authority (BAOA)

Our jurisdiction does not have requirements or guidance specific to audits of CIVs/pension funds from an auditor independence perspective.

IFAC Member Bodies and Other Professional Accountancy Organizations

Institut des réviseurs d'entreprises in Luxembourg (IRE)

Response 6 – In Luxembourg, there are no additional regulatory requirements specifically targeting the audits of Collective Investment Vehicles (CIVs) or pension funds concerning auditor independence beyond those outlined in the general application of the Code. The existing principles and standards within the Code are deemed adequate and appropriate to maintain auditor independence in these audits.

The Code's principles-based approach provides a robust framework that is sufficiently flexible to address the unique features of CIVs and pension fund audits. It ensures that auditors can navigate complexities while adhering to high ethical standards. This approach allows for scalable solutions that effectively cater to the diverse structures and practices encountered within the Luxembourg environment.

Institute of Chartered Accountants Ghana (ICAG)

Auditors in our jurisdiction are required to comply with the fundamental ethical principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior as well as observing professional skepticism and remain alert throughout the course of the audit and abstain from anything or situation that will impair or influence his/her independence in the conduct of audit assignments. These are enshrined in the Code of ethics for professional engagements and are applicable to all audit engagements including CIVs/pension funds. We have not yet developed specific requirements for CIV/pension fund engagements, rather the general principles of ethics apply in all situations.

Institute of Chartered Accountants of Scotland (ICAS)

The UK does not have such specific requirements or guidance. However, the Financial Reporting Council (FRC) in the UK recognises that there is always a risk that no matter how well stated specific requirements are, there may still be circumstances that are not adequately addressed. Hence in the first section of its Ethical Standard it states:

“I10 Part B sets out specific requirements relevant to certain circumstances that may arise in audit and other public interest assurance engagements. These specific requirements are designed to assist in meeting the ethical outcomes required by the overarching principles and supporting ethical provisions. However, circumstances relating to engagements vary widely and meeting the ethical outcomes required by the overarching principles and supporting ethical provisions is paramount. Compliance with the specific requirements may not always be sufficient to achieve this as Part B does not, nor is it practicable for it to, address all possible circumstances that may exist. Practitioners need to be alert for, and respond appropriately to, other circumstances that create threats to meeting the ethical outcomes required by the overarching principles and supporting ethical provisions.”

“The ‘Third Party Test’

I14 Consideration of whether the ethical outcomes required by the overarching principles and supporting ethical provisions have been met should be evaluated by reference to the perspective of an objective, reasonable and informed third party (see the definition of independence). Such a person is informed about the respective roles and responsibilities of an auditor (or reporting accountant as applicable), those charged with governance and management of an entity, and is not another practitioner. The perspective offered by an informed investor, shareholder or other public interest stakeholder best supports an effective evaluation required by the third-party test, with diversity of thought being an important consideration. The assessment that a firm makes when applying the third-party test, is:

- principles-based, covering both the spirit and the letter of the requirements in this Ethical Standard;
- carried out using both qualitative and quantitative factors, and includes issues arising on an engagement or issue specific basis, and in the context of wider publicly available information that an informed person would be aware of and would bring to bear on their assessment – it is based on the information available at the time, and not hindsight;
- an overarching assessment of risks that the third party might consider would have an impact on the audit firm's independence and not a narrow or formulaic assessment. Such an assessment might include the factors shareholders use when assessing the independence of an auditor proposed for appointment; and
- alive to the risk that arrangements, policies or procedures implemented by a firm to address any threat to independence may be construed as a way to circumvent the overarching principles and supporting ethical provisions of this Ethical Standard.

In making such an assessment, the cumulative impact of a series of ethical issues, which taken together would lead the third party to have concerns about an audit firm are also considered.”

Korean Institute of Certified Public Accountants (KICPA)

Korea has no independence requirements or guidance specific to audits of CIVs/pension funds.

The Malaysian Institute of Certified Public Accountants (MICPA)

There are no specific requirements or guidance tailored to audits of Collective Investment Vehicles or pension funds from an auditor independence perspective.

Other comments

Investors and Analysts

Better Finance (BF)

Jurisdictions differ significantly. While the U.S. under SEC rules and Australia under the Corporations Act, have robust frameworks that treat investment advisers and fund managers as affiliates of the fund and are subject to the same independence requirements, others, like parts of the EU, rely on functional separation but do not always classify investment managers as related entities. From the investor point of view, such fragmentation creates risk and confusion. BetterFinance therefore urges IESBA to provide a global minimum standard by expanding the scope of “related entities” or establishing a new Connected Party framework that transcends local legal constructs. This would promote consistency and offer investors globally equal protection, regardless of the jurisdiction in which a fund is domiciled.

Accounting Firms

RSM International (RSM)

We are responding as a global network, rather than specific jurisdictions. However, certain notable countries or regions did not appear to be considered in the initial analysis in the Consultation Paper or Agenda Item 4A: Collective Investment Vehicles, Pension Funds and Investment Company Complexes from the September 2024 IESBA meeting. We would like to suggest that IESBA also engage with the following jurisdictions:

United Kingdom (UK): It is essential to consider the UK in the list, as their regulations can significantly impact the global audit market. Pension schemes can be considered 'other entities of public interest' (OEPIs) if they have more than 10,000 members, which may impact the global audit market due to accreditation requirements.

Latin America: We noted that IESBA engaged with Brazil, and countries in Latin America generally follow the IESBA Code of Ethics. However, there may be specific nuances in financial systems in various countries, for example, in Chile, which may be considered in IESBA's analysis.

Pension Benefit Guarantee Corporation (PBGC) and Employee Benefits Security Administration (EBSA) in the United States: We noted that IESBA engaged with the American Institute of Certified Public Accountants' (AICPA's) investment company complexes and Employee Benefit Plan Audit Quality Center experts and the United States Securities and Exchange Commission (SEC). However, we would also like to recommend that IESBA also engage with the PBGC and the EBSA, as they are the relevant regulatory bodies for pension funds in the United States.

IFAC Member Bodies and Other Professional Accountancy Organizations

Accountancy Europe (AE)

Context and Observations

We acknowledge that certain jurisdictions may have specific independence requirements for CIVs and pension funds, often shaped by local legal frameworks or supervisory expectations. These requirements vary widely and are outside of the scope of this response.

Conceptual Framework and Application

We consider that such jurisdictional rules are best addressed at the national level (national regulators).

Association of Chartered Certified Accountants (ACCA)

We recognise that some jurisdictions may impose specific independence requirements for collective investment vehicles (CIVs) and pension funds, often influenced by local laws or regulatory expectations. We note, the Code does allow for potentially different interpretations or outcomes in the assessment of independence in these types of audit engagements as is necessary. These requirements vary widely, and we consider that such jurisdictional rules are best addressed at the national level (national regulators).

International Federation for Accountants (IFAC)

We are aware of a number of jurisdictions where there are specific requirements in this area. This creates an added complication were amendments to the Code to be made in relation to this project. Any Code amendments

would need to take such requirements into consideration to avoid duplication or confusion and avoid creating tensions with local laws and expectations; otherwise, global operability would be impacted.

If the IESBA are to move forward with project, we would strongly recommend deeper consultation with jurisdictions where CIVs or Pension Schemes may make up a large proportion of economic activity, which would include countries such as Luxembourg, Singapore and Ireland among many others.

Malta Institute of Accountants

We believe that jurisdiction-specific rules concerning auditor independence for CIVs and pension funds are best developed and implemented by local regulatory authorities.

No Specific Comment

Monitoring Group

International Forum of Independent Audit Regulators (IFIAR)

As a multi-jurisdictional entity, IFIAR is not positioned to provide jurisdiction-specific comments on auditor independence requirements or guidance specific to audits of CIVs or pension funds. Individual member jurisdictions are better placed to provide input on national-level considerations.

Investors and Analysts

Investment Company Institute (ICI)

Refer to General Comments for Response

Regulators and Audit Oversight Authorities

Hellenic Accounting and Auditing Standards Oversight Board (HAASOB)

No specific comment

Accounting Firms

BDO International (BDO)

We appreciate the opportunity to comment on the consultation paper. We hope that our comments and suggestions will be helpful to you in your deliberations and development of future recommendations.

Please contact me should you wish to discuss any of these comments.

Deloitte

We would be pleased to discuss our comments with members of the IESBA or its Staff. If you wish to do so, please feel free to contact Ms. Denise Canavan via email (decanavan@deloitte.com) or at +1 203 563 2759.

Ernst & Young Global (EY)

As a global organization, we are not in a position to comment on jurisdiction-specific matters.

Forvis Mazars

No comment as we are responding as a global organisation.

Grant Thornton International (GTIL)

GTIL would like to thank the IESBA for this opportunity to comment. As always, we welcome an opportunity to meet with representatives of the IESBA to discuss these matters further. If you have any questions, please contact Gina Maldonado-Rodek, Director – Global Risk Management and Independence at gina.maldonado-rodek@gti.gt.com.

KPMG

We defer to the regulators/standard setters in the jurisdictions to respond to this question.

MO Chartered Accountants Zimbabwe

Refer to General Comments for Response

PwC network (PwC)

This is a response on behalf of the PwC network of member firms and accordingly it is not appropriate to comment on specific jurisdictional approaches. We assume that individual jurisdictions (Standard Setters and/or IFAC member bodies) will address this question.

IFAC Member Bodies and Other Professional Accountancy Organizations **Global Accounting Alliance (GAA)**

Refer to General Comments for Response

Institute of Accredited Auditors for Financial Institutions (IREFI-IRAIF)

Refer to General Comments for Response

Institute of Chartered Accountants England and Wales (ICAEW)

ICAEW appreciates the time and effort required to issue consultation papers and to review the responses received. We are grateful for the opportunity to engage constructively with IESBA on the issues raised in this consultation.

Royal Netherland Institute of Chartered Accountants (NBA)

Refer to General Comments for Response