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Chair  
International Ethics Standard Board for  
Accountants (IESBA)

Sent via IESBA website

**Subject: Response to IESBA's Consultation Paper – Enhancing Independence Requirements in the Audit of Collective Investment Vehicles and Pension Funds**

30 June 2025

Dear Gabriela

We are ACCA (the Association of Chartered Certified Accountants), a globally recognised professional accountancy body providing qualifications and advancing standards in accountancy worldwide. We outline our general comments, before sharing more detail to the specific questions asked below. We acknowledge and commend the outreach that the IESBA has and will continue to perform throughout the consultation process, across a wide range of stakeholders to inform IESBA in its thinking on the independence considerations with respect to audits of Collective Investment Vehicles and Pension Funds.

At a high level, we believe the conceptual framework in the Code is clear, appropriate and consistently applied holistically in practice to connected parties in a CIV and pension fund structure. As a global accountancy body, we recognise that the conceptual framework permits varying interpretations and outcomes when assessing independence in these audit engagements, given the differing levels of local legislation across countries. Whilst we do not believe that changes to the conceptual framework are warranted, we do support reinforcing clarity, appropriateness and consistency in the Code's independence application to CIVs and pension funds through the development of non-authoritative guidance, such as FAQs or illustrative scenarios.

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## Specific Questions Asked

1. Does the Code's definition of "related entity" capture all relevant parties that need to be included in the auditor's independence assessment when auditing CIVs and pension funds?

The current definition of "related entity" focuses on control and significant influence and perhaps does not reflect the full range of stakeholders whose involvement could be relevant to an auditor's independence assessment in the context of CIVs and pension funds, if considered in isolation. However, professional accountants in public practice do not apply this definition in isolation, instead they use it within the broader conceptual framework within the IESBA Code, and alongside R400.27. Practitioners are required to consider all threats to independence, including those arising from entities or individuals that may not meet the formal definition of "related entity," but who nevertheless exert influence on the financial statements or make key decisions for the CIVs and pension funds. In this way, we believe the Code is sufficiently robust when applied holistically. We are of the view that the current conceptual framework already addresses many of the relationships and scenarios relevant to collective investment vehicles (CIVs) and pension funds, including those involving indirect stakeholders. The Code's principles-based design enables consideration of independence threats not just through formal client relationships, but also within the wider context in which professional services are carried out.

2. Are the proposed criteria appropriate and sufficient for identifying Connected Parties in relation to the audit client in a CIV or pension fund structure?

The assessment of independence should be based on the actual relationships between the different parties involved and the CIV and not on a predefined set of criteria where such relationship is presumed. We therefore disagree with the proposal to include these specific types of relationships within the Code as the only appropriate criteria that may indicate potential threats to independence.

3. Do you believe the conceptual framework in the Code is clear and appropriate when applied to connected parties in a CIV or pension fund structure?

We believe the conceptual framework in the Code is broadly clear and appropriate when applied to connected parties in a CIV or pension fund structure. While audit firms generally aim to apply the conceptual framework consistently, the outcomes of its application may vary across jurisdictions globally. We therefore do not believe that changes to the conceptual framework are warranted. We do support reinforcing clarity and appropriateness when applying the Code to connected parties in a CIV or pension fund structure through the development of non-authoritative guidance, such as FAQs or illustrative scenarios, to demonstrate how the threats and safeguards approach can be applied in typical CIV and pension fund situations.

4. Do you believe that the conceptual framework is being applied consistently in practice to connected parties in a CIV or pension fund structure?

We have not carried out the necessary research to be able to give an informed answer to this question, but we would hope that the conceptual framework is being applied consistently in practice to connected parties in a CIV or pension fund structure, whilst acknowledging the conceptual framework does allow for potentially different interpretations or outcomes in these types of audit engagements due to local legislation and/or regulation which may lead to variances across jurisdictions globally. We therefore do not believe that changes to the conceptual framework are warranted.

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**THINK AHEAD**

5. Are there particular relationships or circumstances that should be specifically addressed in the Code?

We believe that many of the relationships and scenarios relevant to collective investment vehicles (CIVs) and pension funds, including those involving indirect stakeholders, are already covered by the existing conceptual framework. The Code's principles-based approach allows for the evaluation of independence threats not only in relation to formal client relationships but also within the broader context of how professional services are provided. However, further clarification could be helpful. In this regard, we encourage the development of non-authoritative guidance for example, through illustrative scenarios or FAQs to provide practical examples of how these principles apply in commonly encountered but complex situations. This may enhance understanding and application without requiring structural changes to the Code itself.

6. Are there jurisdiction-specific independence rules for CIVs and Pension Funds?

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).