



The Chairman

International Ethics Standards Board for Accountants  
International Federation of Accountants  
529 Fifth Avenue  
New York, NY 10017

24 June 2025

**Collective Investment Vehicles and Pension Funds – Auditor Independence**

Dear Sirs:

Assirevi is the association of the Italian audit firms. Its member firms represent the vast majority of the audit firms licensed to audit companies listed on the Italian stock exchange and other public interest entities in Italy, under the supervision of CONSOB (*Commissione Nazionale per le Società e la Borsa*). Assirevi promotes technical research in the field of auditing and accounting and publishes technical guidelines for the benefit of its members. It collaborates with CONSOB, the Italian accounting profession and other bodies in developing auditing and accounting standards.

The issues covered in the Consultation Paper "*Collective Investment Vehicles and Pension Funds – Auditor Independence*" issued by IESBA on March 2025 are particularly relevant to the Association, that is consequently pleased to submit its comments on the consultation.

Should you have any queries, please do not hesitate to contact us.

Yours faithfully,



Gianmario Crescentino  
Chairman

(Enclosure)

## COMMENTS ON THE IESBA CONSULTATION PAPER

### *Collective Investment Vehicles and Pension Funds – Auditor Independence*

(March 2025)

Assirevi is grateful for the opportunity provided by the above-mentioned Consultation Paper and is pleased to contribute providing its view on the project described therein. Please find below our comments relating to the questions included in the Consultation Paper.

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**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/pension funds? Please provide reasons for your response.**

Yes, Assirevi believes that the definition of 'related entities' currently provided by the Code is appropriate for capturing all relevant parties that need to be included in the auditor's independence assessment when auditing CIVs/pension funds.

In our view, changing the current approach in the Code of Ethics without considering the specific framework regarding CIVs/pension funds applicable in each jurisdiction could have a negative impact, as it may impose the same rules, in an undifferentiated manner, on cases that are different in nature and subject to different legal and regulatory regimes. For example, similar terms, like "asset management company" may refer to roles with different functions, responsibilities, and oversight.

As far as Italy is concerned, the most common form of CIVs is mutual investment funds (contractual schemes). In participating in a mutual investment fund, investors entrust the professional management of their savings to a separate entity from the fund itself: the asset management company (in Italy, SGR).

According to the prevailing approach of Italian academics and case law, the CIV is an autonomous asset, without legal personality, intended to be managed within the limits conventionally provided for in the contractual relationship between the SGR and the investors. On this basis, the SGR is recognized as the formal owner, on behalf of others, of the assets and liabilities that make up the managed fund, including its portfolio companies (those entities/companies in which the fund holds controlling interests).

In summary, the SGR possesses a distinct and separate capital from the fund. The mutual investment fund managed by the SGR does not have its own legal personality. The SGR is the sole legal entity acting in the name and on behalf of the fund.

With specific reference to audit regulations, the CIV's auditor is the same as the auditor of the SGR. Therefore, the auditor must be independent of both the mutual fund and the SGR. The independence rules also apply, to some extent, to those entities/companies in which the fund holds controlling interests (so called portfolio companies), in execution of the defined investment policy and as a result of investment transactions carried out by the SGR for management purposes and in the interest of the fund.

With regard to pension funds accessible to the general public (so-called open pension funds), it should be noted that - similarly to mutual investment funds - they do not have their own legal personality and are structured as separate assets of the management company in accordance with Article 2117 of the Italian Civil Code, by resolution of the management company's administrative body.

In this context, the auditor of the pension fund is generally the same as the auditor of the management company. Consequently, the auditor must be independent of both the management company and the pension fund.

For more detailed information on the nature and the legal framework of Italian CIVs and pension funds, see below our response to question 6 and relevant annexes.

For the reasons outlined above, considering that in the Italian context:

- (i) CIVs/pension funds do not possess legal personality and are fully managed by the management company;
- (ii) the auditor of the CIV/pension fund is the same as that of the management company,

Assirevi believes that the definition of 'related entities' currently provided by the Code is appropriate for capturing all relevant parties that need to be included in the auditor's independence assessment when auditing CIVs/pension funds. Therefore, the definition does not need to be revised.

Furthermore, it should be noted that the application of the conceptual framework set out in Section 120 would allow the auditor to identify other entities, if any, that should be included in the independence assessment.

In any case, according to Assirevi, the issue cannot be addressed by simply creating a baseline of rules that ignores the fundamental differences between regulatory frameworks across jurisdictions.

2. ***Do you believe the criteria set out above are appropriate and sufficient to capture Connected Parties that should be considered in relation to the assessment of auditor independence with respect to the audit of a CIV/pension fund? Please provide reasons for your response.***
3. ***Where there are such Connected Parties, do you believe that the application of the conceptual framework in Section 120 of the Code is sufficiently clear as to how to identify, evaluate and address threats to independence resulting from interests, relationships, or circumstances between the auditor of the CIV/pension fund and the Connected Parties? If not, do you believe the application of the conceptual framework in the Code as applicable to Connected Parties associated with Investment Schemes warrants additional clarification? Please provide reasons for your response.***
5. ***Are there certain interests, relationships, or circumstances between the auditor of a CIV/pension fund and its Connected Parties that should be addressed? Please provide reasons for your response.***

Assirevi analyzed the criteria established by the Consultation Paper under discussion, particularly with regard to Collective Investment Vehicles (CIV)/pension funds and the definition of "Connected Parties". Assirevi does not believe that it is necessary to introduce additional criteria, other than those already included in the IESBA Code, to define further entities that may be "connected parties", as better explained below.

The criteria reflected in the Consultation Paper are theoretical in nature and are not universally applicable as a common baseline across all jurisdictions. They do not account for the variations in CIV/pension fund structures and governance, as defined and regulated under different jurisdictions (including Italy). These structures range in the different jurisdictions from situation where own internal governance is established (including the Board of Directors and other roles discharged by Those Charged with Governance) to structures without internal governance roles. In such cases, laws and regulations provide for i) applicable structures and related governance, including with respect to any delegations and associated responsibilities, ii) auditors' independence rules. All such laws and regulations are applied in the independence assessment, without any need to introduce a definition of "connected parties".

Furthermore, the criteria reflected in the Consultation Paper highlight activities that may or may not be assigned to third parties. In most instances, the delegated parties and/or external providers are independent intermediaries and organisations that offer these activities as services to numerous unrelated CIVs/pension funds. Taking the view that these independent intermediaries and organisations, which may or may not meet the proposed criteria, are connected parties would lead to consider these organizations not as service providers, but as part of the CIV/pension fund governance, even if local laws do not consider them as "connected parties".

In addition, such an approach could lead to unintended consequence whereby these entities would be considered “connected parties” for a significant number of CIVs/pension funds. Consequently, by adopting independence rules and provisions concerning these service providers, the IESBA would impose multiple unnecessary and excessive independence constraints on third parties, which would not address the perceived gap described in the Consultation Paper.

Therefore, Assirevi believes that the proposal to apply general standard provisions to CIVs/pension funds without considering jurisdictional variations will result in numerous unintended consequences that would outweigh the intended benefits for the public interest. Additionally, we observe that the Consultation Paper accurately explains that there is no evidence of failures related to independence issues arising from interests, relationships, and other circumstances regarding CIV/pension fund auditors and “Connected parties”.

Therefore, we do not deem it necessary to introduce additional criteria, other than those included in the IESBA Code, to define further entities that may be “connected parties”, as these are already identified through the application of local laws, including those related to independence. Should there be parties that are not explicitly included in the scope identified by the IESBA Code or local laws (as it is the case for the Italian law), Assirevi strongly believes that the “conceptual framework” identified by the IESBA Code in Section 120 and the definition of “related parties” is clear enough to assess and address threats arising from all relevant circumstances, including interests and relationships, without the need to introduce the “Connected Parties” definition. For the same reason, we also do not consider necessary to identify further interests, relationships, or circumstances beyond those already outlined by the Code in Section 120.

**4. Do you believe that the conceptual framework in Section 120 of the Code is consistently applied in practice with respect to the assessment of auditor independence in relation to Connected Parties when auditing a CIV/pension fund? Please provide reasons for your response.**

Assirevi is not a Supervisory Authority. Consequently, it does not have a comprehensive view on how Section 120 of the Code is applied in practice by professional accountants.

However, considering the outcome of internal discussions within the Association, Assirevi believes that Section 120 has been consistently applied by its Associates in assessing auditor independence when auditing a CIV/pension fund.

**6. Does your jurisdiction have requirements or guidance specific to audits of CIVs/pension funds from an auditor independence perspective? If yes, are those requirements included in audit-specific or CIV-specific regulation? Please provide details.**

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.