

June 26, 2025

The Chairman  
International Ethics Standards Board for Accountants  
529 5<sup>th</sup> Avenue  
6th Floor  
New York NY 10017  
United States of America

Via Online Submission

Dear Ms. Gabriela Figueiredo Dias,

**COMMENTS ON IESBA CONSULTATION PAPER '*COLLECTIVE INVESTMENT VEHICLES AND PENSION FUNDS - AUDITOR INDEPENDENCE*'**

The Malaysian Institute of Certified Public Accountants ("MICPA") appreciates the opportunity to comment on the IESBA Consultation Paper '*Collective Investment Vehicles and Pension Funds – Auditor Independence*'. We also applaud the effort of the International Ethics Standards Board for Accountants ("IESBA") to enhance the Code.

In this regard, we are pleased to attach MICPA's comments as set out in Appendix for your consideration.

We trust our comments are valuable to the IESBA, for your onward deliberation. MICPA looks forward to further support the effort of the IESBA in setting and enhancing the Code. Please do not hesitate to contact the undersigned or the Executive Director of Technical, Ms. Chiam Pei Pei, at +603-2698 9622 should you require any clarification.

Thank you.

Yours faithfully



ADRINA LIM (Ms)  
Chief Executive Officer

**Question 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.**

**Comment:**

We believe that the Code's definition of related entity may not fully capture all relevant parties in the context of CIVs and pension funds. These structures often involve fund managers, trustees, and administrators who, while not legally related, may still influence financial reporting.

We suggest that IESBA reconsider and expand the definition of related entity to cover a broader group of influential parties.

**The questions in this Section pertain to an audit of a CIV/pension fund where a Connected Party to the Scheme meets the criteria set out in paragraph 35, i.e., the Connected Party is:**

- (a) Responsible for its decision making and operations;**
- (b) Able to substantially affect its financial performance; or**
- (c) In a position to exert significant influence over the preparation of its accounting records or financial statements.**

**Question 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.**

**Comment:**

We believe that the criteria listed are appropriate and sufficient to identify Connected Parties relevant to the auditor's independence assessment for a CIV/pension fund audit. However, caution should be exercised in applying them, especially in cases involving complex structures or indirect relationships.

**Question 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.**

**Comment:**

We believe that further guidance and clarifications are needed in the application of the conceptual framework in relation to such Connected Parties.

**Question 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.**

**Comment:**

We agree that the conceptual framework in Section 120 of the Code is consistently applied in practice with respect to the assessment of auditor independence.

**Question 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.**

**Comment:**

We believe there are no further interests, relationships, or circumstances between the auditor of a CIV/pension fund and its Connected Parties that should be addressed.

**Question 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.**

**Comment:**

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