



The Malta Institute of Accountants would like to thank the International Ethics Standards Board for Accountants for issuing this Consultation Paper on Auditor Independence for Collective Investment Vehicles and Pension Funds, and for providing stakeholders with the opportunity to contribute to this important discussion. We commend the IESBA for its thoughtful and consultative approach in addressing the independence considerations that arise in the context of these increasingly complex investment structures.

We are broadly supportive of the existing conceptual framework set out in the International Code of Ethics, which we consider to be sufficiently robust to address the independence challenges associated with audits of collective investment vehicles (CIVs) and pension funds. In our view, the issues highlighted in the Consultation Paper can be more appropriately addressed through non-authoritative guidance, rather than through amendments to the Code itself.

We also encourage the IESBA to take into account the diverse legal and regulatory environments in which CIVs and pension funds operate. Where additional clarification is needed, we believe it is more appropriate for national regulators to provide jurisdiction-specific guidance that reflects local structures and practices, rather than expanding the scope of the Code.

We welcome the opportunity to provide the following responses to the questions set out in the Consultation Paper.

**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 and pension funds?**

We recommend against broadening the current definition of "related entity" or introducing a new concept such as "connected party." Instead, we support the development of non-authoritative guidance which promotes consistent use of the framework.

**Question 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?**

While the three criteria proposed by IESBA can be helpful considerations, they should not be treated as the only relevant factors when assessing independence in a CIV context. We do not support including these specific criteria in the Code as the exclusive indicators of potential independence threats.

**Question 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?**

**Question 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 do not find it necessary to revise the conceptual framework itself. However, enhanced communication and targeted training would help ensure more consistent application in practice and better equip professionals to address the complexities of fund structures while upholding the fundamental principles of the Code.

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

We see no compelling reason to expand the Code to add new categories of relationships or to make other structural amendments.



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**Question 6: Are there jurisdiction-specific independence rules for CIVs and pension funds?**

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

We appreciate the opportunity to respond to this Consultation Paper and support the IESBA's continued efforts to uphold and strengthen the ethical foundations of the profession. In our view, the current conceptual framework remains well-suited to address the complexities of auditor independence in the context of CIVs and pension funds, provided it is supported by appropriate non-authoritative guidance.

We would welcome further engagement as the project progresses and remain available to contribute to any future discussions or initiatives on this topic.