

IESBA
529 5th Avenue
New York, New York 10017
USA

Prague 30th June 2025

Subject:
IESBA's Consultation Paper – Collective Investment Vehicles and Pension Funds – Auditor Independence

Dears,

we are pleased to respond to the International Ethics Standards Board for Accountants (IESBA) on proposed Consultation Paper – Collective Investment Vehicles and Pension Funds – Auditor Independence.

Below you can find our answers on the Board's questions.

Yours sincerely

Ladislav Mejzlík
President of the CA CR

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.

We believe that the definition of a related party in the Code does not capture all relevant parties that need to be included in the assessment of auditor independence in the audit of CIV/pension funds. Other parties (Connected parties) that are not related parties are not covered by this definition. However, the conceptual framework of the Code requires the auditor to consider all relevant threats to independence, not just those arising from related parties.

Question 2

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.**

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.

We believe that the criteria set out above can help assess threats to independence in the case of CIV/pension fund. However, these criteria must be assessed in conjunction with principles set out in the conceptual framework of the Code. We do not believe that the definition of the Connected parties should be added to the Code.

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.

We believe that the conceptual framework in Section 120 of the Code is sufficiently broad for the purposes of assessing auditor independence in audits of CIVs/pension funds, as it requires the auditor to consider all threats to independence in all cases. We believe that sector-specific requirements should not be added to the Code.

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.

Not able to evaluate.

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.

None identified.

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.

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