

Dear Mr Reid,

**Re: HAASOB's Comment Letter to the IESBA's Consultation Paper
Collective Investment Vehicles and Pension Funds –Auditor Independence March 2025.**

On behalf of HAASOB, I am writing to comment on the IESBA's Consultation Paper Collective Investment Vehicles and Pension Funds –Auditor Independence March 2025.

This letter aims to contribute to the IESBA's due process, in consideration of the Auditor Independence applicability when auditing Collective Investment Vehicles and Pension Funds.

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?

[The definition of related entity in the Code is general. There could be a third party that among others:](#)

- [Is responsible for the decision making for the fund including decisions related to retaining or changing service providers including investment advisors, fund managers, sponsors, custodians, recordkeepers, etc., day to day operations and performance of the fund.](#)
- [Influences the success or failure of the fund,](#)
- [Materially affects the performance of the fund](#)

[A third party could be a \(un\)related party that the auditor should assess. The above examples could exist by contracting and therefore could control the fund. Eventually there could be a potential risk that independence is not adequately assessed as the third party is not part of "audit client".](#)

[A proposal would be to publish guidance to capture all relevant parties and connected parties that need to be included in the auditor's independence assessment when auditing CIVs/pension funds.](#)

Question 2

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.

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.

Yes, the above criteria are suitable and there could be an additional criteria taking in consideration the previous answer which could be to " Influence the success or failure of the fund."

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.

Yes, we 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.

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.

Yes, we believe it is consistently applied in practice with respect to the assessment of auditor independence in relation to Connected Parties when auditing a CIV/pension fund

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.

The Connected parties might delegate functions to other third parties which could undermine independence.

Papadimos Nikos

**Deputy Chairman
Hellenic Accounting and Auditing Standards Oversight Board**



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