



1 April 2025

**To: Members of the Hong Kong Institute of CPAs
All other interested parties**

INVITATION TO COMMENT ON INTERNATIONAL ETHICS STANDARDS BOARD FOR ACCOUNTANTS (IESBA) CONSULTATION PAPER: COLLECTIVE INVESTMENT VEHICLES AND PENSION FUNDS

Comments to be received by 30 May 2025

The Hong Kong Institute of Certified Public Accountants' (Institute) Ethics Committee is seeking comments on the IESBA's *Consultation Paper: Collective Investment Vehicles and Pension Funds* which has been posted on the Institute's website:

<https://www.hkicpa.org.hk/en/Standards-setting/Standards/Open-for-comment-documents/Code-of-Ethics>

Investment Schemes enable investors to pool their funds and often rely on external parties ("Connected Parties") for functions typically managed internally in conventional corporate structures. This structure introduces specific relationships that are highlighted in the Consultation Paper and need to be carefully considered to ensure that any threats to auditor independence are identified and appropriately addressed.

Consequently, this Consultation Paper seeks views on auditor independence matters pertaining to audits of Investment Schemes when these Schemes involve Connected Parties. The consultation aims to inform the IESBA's consideration of whether its International Independence Standards are sufficiently clear and fit for purpose for such audits. Key area of focus include:

- The definition of "related entity" in the Code and its applicability to audits of Investment Schemes.
- The Connected Parties that should be considered in relation to the assessment of auditor independence with respect to the audit of an Investment Scheme.
- The application of the Code's conceptual framework when assessing threats to independence resulting from interests, relationships, or circumstances between the auditor of an Investment Scheme and Connected Parties.

The IESBA invites comments from all interested parties, including financial industry representatives, audit firms, experts, investors, regulators, and jurisdictional standard setters. Questions for respondents are included under paragraphs 32, 38 and 42 of the Consultation Paper to solicit feedback on specific matters.



How to Comment on this Consultation Paper

In accordance with the Institute's due process, comments are invited from any interested party and the Institute would like to hear from both those who do agree and those who do not agree with the contents of this Consultation Paper.

Comments should be supported by specific reasoning and should be submitted in written form. To allow your comments to be considered, comments are requested by the due date shown above.

Comments may be sent by mail, fax or e-mail to:

Standard Setting Department
Hong Kong Institute of Certified Public Accountants
37/F., Wu Chung House
213 Queen's Road East
Hong Kong

Fax number (+852) 2865 6603

E-mail: commentletters@hki CPA.org.hk

Comments will be acknowledged and may be made available for public review unless otherwise requested by the contributor.