CPA Hong Kong Institute of Certified Public Accountants 香港會計師公會

23 February 2026

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

INVITATION TO COMMENT ON THE INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD (IAASB)'s *POST-IMPLEMENTATION REVIEW (PIR) OF ISA 540 (REVISED), AUDITING ACCOUNTING ESTIMATES AND RELATED DISCLOSURES* – PUBLIC CONSULTATION SURVEY (SURVEY)

Comments to be received by 15 May 2026

The Hong Kong Institute of Certified Public Accountants' (Institute) Auditing and Assurance Standards Committee (AASC) is seeking comments on the Survey which has been posted on the Institute's webpage for Auditing and Assurance.

The IAASB invites stakeholders worldwide to participate in the Survey as part of its PIR of ISA 540 (Revised), *Auditing Accounting Estimates and Related Disclosures*. This Survey seeks input from a broad range of stakeholders and includes questions tailored to differing perspectives and experiences of various stakeholder groups[1]. It focuses on three principal areas:

- Overall views on ISA 540 (Revised), including related to non-authoritative guidance and tools that were issued to support implementation of the standard;
- Perceived benefits resulting from implementation of the revised standard; and
- Potential issues, challenges, or impacts experienced or observed relating to ISA 540 (Revised).

Survey feedback will help the IAASB assess whether:

- ISA 540 (Revised) has achieved its intended objective, including improvements or benefits arising from its application, as well as any practical challenges or questions encountered; and
- Any further actions by the IAASB are needed to address matters identified.

HKICPA Analysis: Potential Impact of the IAASB's PIR of ISA 540 (Revised)
The Survey highlights the following key areas of potential issues or challenges:
(a) scalability and proportionality;
(b) exercise of professional skepticism when auditing accounting estimates and related disclosures;
(c) risk assessment procedures and identifying and assessing the risks of material misstatement related to accounting estimates;
(d) responses to the assessed risks of material misstatement and overall evaluation; and
(e) communication with those charged with governance, management or other relevant parties, specialized skills or knowledge, including using the work of an auditor's expert, and documentation.

Responses to the Survey will inform the IAASB's next steps, which may include one or a combination of further information-gathering activities, standard-setting activities, or development of non-authoritative materials, to facilitate application of the standard in relation to the above issues. The IAASB may also determine that no further action is needed or that there are opportunities to facilitate or support actions by others. A key consideration will be the nature and extent of any perceived challenges, including whether those challenges are due to lack of clarity or insufficiency of the requirements or application material in the standard. As members, this means your feedback will directly influence these outcomes.

[1] The survey is available in three versions, each with questions tailored to a specific stakeholder group. Stakeholders are encouraged to complete the version that corresponds to their own group, so that the questions they receive align with their role, perspectives, and experience with ISA 540 (Revised).

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How to Comment on the public consultation survey

In accordance with the Institute's due process, comments are invited from any interested party. 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
37th Floor, Wu Chung House
213 Queen's Road East
Wanchai, Hong Kong

Fax number (+852) 2865 6603
E-mail: commentletters@hkicpa.org.hk

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