

RESPONSE TEMPLATE FOR THE ED OF PROPOSED NARROW-SCOPE AMENDMENTS TO IAASB STANDARDS ARISING FROM THE IESBA'S USING THE WORK OF AN EXTERNAL EXPERT PROJECT

Guide for Respondents

Comments are requested by **July 24, 2025**.

This template is for providing comments on the Exposure Draft (ED) of proposed Narrow-Scope Amendments to International Auditing and Assurance Standards Board® (IAASB®) Standards Arising from the International Ethics Standards Board for Accountants' (IESBA) Using the Work of an External Expert project, in response to the questions set out in the Explanatory Memorandum (EM) to the ED. It also allows for respondent details, demographics and other comments to be provided. Use of the template will facilitate the IAASB's automated collation of the responses.

You may respond to all questions or only selected questions.

To assist our consideration of your comments, please:

- For each question, start by indicating your overall response using the drop-down menu under each question. Then below that include any detailed comments, as indicated.
- When providing comments:
 - Respond directly to the questions.
 - Provide the rationale for your answers. If you disagree with the proposals in the ED, please provide specific reasons for your disagreement and specific suggestions for changes that may be needed to the requirements, application material or appendices. If you agree with the proposals, it will be helpful for the IAASB to be made aware of this view.
 - Identify the specific aspects of the ED that your response relates to, for example, by reference to sections, headings or specific paragraphs in the ED.
 - Avoid inserting tables or text boxes in the template when providing your responses to the questions because this will complicate the automated collation of the responses.
- Submit your comments, using the response template only, without a covering letter or any summary of your key issues, instead identify any key issues, as far as possible, in your responses to the questions.

The response template provides the opportunity to provide details about your organization and, should you choose to do so, any other matters not raised in specific questions that you wish to place on the public record. All responses will be considered a matter of public record and will ultimately be posted on the IAASB website.

Use the “**Submit Comment**” button on the ED [web page](#) to upload the completed template.

Responses to IAASB's Request for Comments in the EM for the ED, Proposed Narrow-Scope Amendments to IAASB Standards Arising from the IESBA's Using the Work of an External Expert Project

PART A: Respondent Details and Demographic information

Your organization's name (or your name if you are making a submission in your personal capacity)	Hong Kong Institute of Certified Public Accountants
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Selene Ho
Name(s) of contact(s) for this submission (or leave blank if the same as above)	
E-mail address(es) of contact(s)	selene@hkcipa.org.hk
Geographical profile that best represents your situation (i.e., from which geographical perspective are you providing feedback on the ED). Select the most appropriate option.	Asia Pacific
	If "Other", please clarify
The stakeholder group to which you belong (i.e., from which perspective are you providing feedback on the ED). Select the most appropriate option.	Jurisdictional standard setter
	If "Other", please specify
Should you choose to do so, you may include information about your organization (or yourself, as applicable).	

Should you choose to do so, you may provide overall views or additional background to your submission. **Please note that this is optional.** The IAASB's preference is that you incorporate all your views in your comments to the questions (also, the last question in Part B allows for raising any other matters in relation to the ED).

Information, if any, not already included in responding to the questions in Parts B and C:

PART B: Responses to Questions in the EM for the ED

For each question, please start with your overall response by selecting one of the items in the drop-down list under the question. Provide your detailed comments, if any, below as indicated.

Overall Question

Public Interest Responsiveness

1. Do you agree that the proposed narrow-scope amendments are responsive to the public interest, considering the qualitative standard-setting characteristics and standard-setting actions in the project proposal? If not, why not?

(See EM, Section 1-A)

Overall response: Agree (with no further comments)

Detailed comments (if any):

Specific Questions

Proposed Narrow-Scope Amendments to ISA 620¹

2. Do you agree that the proposed narrow-scope amendments to ISA 620 are appropriate to maintain interoperability with the new provisions in the Code related to using the work of an external expert?

(See EM, Section 1-C)

Overall response: Agree, with comments below

Detailed comments (if any):

We acknowledge the IAASB's view in paragraph 28 of the exposure draft (ED-Expert) that the requirement for the auditor to evaluate the adequacy of the auditor's expert's work (ref.: paragraph 12 of the extant ISA 620) is based on the presumption that the auditor has determined, in accordance with paragraph 9 of the extant ISA 620, that the expert has the necessary competence, capabilities and objectivity (CCO). Hence, we support the IAASB's proposal to reinforce this presumption by providing additional guidance in ISA 620 to explicitly stipulate the circumstances that may prohibit the auditor from using the expert's work and the implication if the auditor is unable to determine whether, or concludes that, the auditor's expert does not meet the CCO evaluation.

The majority of our stakeholders expressed that this enhancement to ISA 620 should be made independently of the "relevant ethical requirements (e.g. IESBA Code)" as currently drafted in paragraph A19A in ED-Expert. The auditing standard should reinforce its current framework for evaluating the CCO of an external expert, by specifying a clear prohibition on using the expert if they fail to meet the CCO evaluation criteria.

¹ International Standard on Auditing (ISA) 620, *Using the Work of an Auditor's Expert*

Adopting this approach would help ensure consistent application of ISA 620 across all jurisdictions. The currently proposed paragraph A19A, which links to 'relevant ethical requirements in the IESBA Code', may not be applicable to jurisdictions that do not adopt the IESBA Code or where local ethical requirements do not have equivalent provisions. As a result, when the proposed revisions to ISA 620 are applied in audit engagements, jurisdictions that follow the IESBA Code would impose more stringent requirements on auditors than those that do not. This may lead to unintended consequences, including the creation of an uneven playing field and undermining the reliability and comparability of audit outcomes globally.

If you do not agree, what alternatives do you suggest (please identify the specific paragraphs and be specific as to why you believe the proposals are not appropriate, and why you believe your alternatives would be more appropriate)?

Detailed comments (if any):

Proposed Narrow-Scope Amendments to ISRE 2400 (Revised),² ISAE 3000 (Revised)³ and ISRS 4400 (Revised)⁴

3.1 Do you agree that the proposed narrow-scope amendments to ISRE 2400 (Revised) are consistent with the proposed amendments to ISA 620, and are appropriate to maintain interoperability with the new provisions in the Code related to using the work of an external expert?

(See EM, Section 1-D)

Overall response: Agree, with comments below

Detailed comments (if any):

We recommend that, in addition to footnote 7 which directs the practitioner to section 390 of the revised Code, the IAASB consider incorporating similar explicit application material into ISRE 2400 (Revised), as in paragraphs A18A(b) and A24 of the proposed ISA 620, regarding the requirement to obtain written information from the auditor's external expert to assist in the evaluation of the expert's CCO (i.e. paragraphs R390.5, R390.12-17 and R390.28 of the revised Code). Incorporating this material would help reinforce the importance of this documentation requirement under the revised Code and promote interoperability between the IAASB standards and the revised Code.

In addition, to promote consistent application of the standard across jurisdictions, and build on the explanation provided in Q2 above, we recommend that the IAASB stipulate in ISRE 2400 (Revised) the specific circumstances under which a practitioner is prohibited from using the expert's work and the consequences if the practitioner's expert does not meet the CCO evaluation criteria. These provisions should be established independently of the "relevant ethical requirements" as currently drafted in paragraph A97C in ED-Expert.

² International Standard on Review Engagements (ISRE) 2400 (Revised), *Engagements to Review Historical Financial Statements*

³ International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*

⁴ International Standards on Related Services (ISRS) 4400 (Revised), *Agreed-upon Procedures Engagements*

If you do not agree, what alternatives do you suggest (please identify the specific paragraphs and be specific as to why you believe the proposals are not appropriate, and why you believe your alternatives would be more appropriate)?

Detailed comments (if any):

3.2 Do you agree that the proposed narrow-scope amendments to ISAE 3000 (Revised) are consistent with the proposed amendments to ISA 620, and are appropriate to maintain interoperability with the new provisions in the Code related to using the work of an external expert?

(See EM, Section 1-E)

Overall response: Agree, with comments below

Detailed comments (if any):

To promote consistent application of the standard across jurisdictions, and build on the explanation provided in Q2 above, we recommend that the IAASB stipulate in ISAE 3000 (Revised) the specific circumstances under which a practitioner is prohibited from using the expert's work and the consequences if the practitioner's expert does not meet the CCO evaluation criteria. These provisions should be established independently of the "relevant ethical requirements" as currently drafted in paragraph A128A in ED-Expert.

If you do not agree, what alternatives do you suggest (please identify the specific paragraphs and be specific as to why you believe the proposals are not appropriate, and why you believe your alternatives would be more appropriate)?

Detailed comments (if any):

3.3 Do you agree that the proposed narrow-scope amendments to ISRS 4400 (Revised) are consistent with the proposed amendments to ISA 620, and are appropriate to maintain interoperability with the new provisions in the Code related to using the work of an external expert?

(See EM, Section 1-F)

Overall response: Agree, with comments below

Detailed comments (if any):

To promote consistent application of the standard across jurisdictions, and build on the explanation provided in Q2 above, we recommend that the IAASB stipulate in ISRS 4400 (Revised) the specific circumstances under which a practitioner is prohibited from using the expert's work and the consequences if the practitioner's expert does not meet the CCO evaluation criteria. These provisions should be established independently of the "relevant ethical requirements" as currently drafted in paragraph A47A in ED-Expert.

We also recommend that the IAASB consider incorporating similar explicit application material into ISRS 4400 (Revised), as in paragraphs A18A(b) and A24 of the proposed ISA 620, regarding the requirement to obtain written information from the auditor's external expert to assist in the evaluation of the expert's CCO. Incorporating this material would help reinforce the importance of this documentation requirement under the revised Code and promote interoperability between the IAASB standards and the revised Code.

If you do not agree, what alternatives do you suggest (please identify the specific paragraphs and be specific as to why you believe the proposals are not appropriate, and why you believe your alternatives would be more appropriate)?

Detailed comments (if any):

Other Matters

4. Are there any other matters you would like to raise in relation to the ED? If so, please clearly indicate the standard(s), and the specific requirement(s) or application material, to which your comment(s) relate.

Overall response: Yes, with comments below

Detailed comments (if any):

Our stakeholders suggest that the IAASB consider including additional examples in ISA 620 (e.g. paragraphs A1 or A2) to clarify the definition of expertise in accounting and auditing in light of the evolving interdisciplinary developments. This help ensure consistent application of ISA 620. For example, a professional who is both a certified public accountant and a qualified lawyer may be involved in addressing complex tax compliance and related financial reporting issues. This raises the question of whether such an individual should be classified as an external expert under ISA 620. The determination involves considerable professional judgement.

Part C: Request for General Comments

The IAASB is also seeking comments on the matters set out below:

5. Translations—Recognizing that many respondents may intend to translate the final narrow-scope amendments for adoption in their own environments, the IAASB welcomes comment on potential translation issues respondents note in reviewing the ED.

Overall response: No response

Detailed comments (if any):

6. **Effective Date**—Given the public interest benefit of aligning the effective date of these proposed narrow-scope amendments with the effective date of the revised Code provisions related to using the work of an external expert, the IAASB believes that an appropriate implementation period would be approximately 12 months after the PIOB's process of certification of the final narrow-scope amendments. The IAASB welcomes comments on whether this would provide a sufficient period to support effective implementation of the narrow-scope amendments.

(See *EM*, Section 1-G)

Overall response: No response

Detailed comments (if any):