



MALAYSIAN INSTITUTE
OF ACCOUNTANTS

30 August 2023

Mr Willie Botha
Technical Director
International Auditing and Assurance Standards Board
International Federation of Accountants
529 Fifth Avenue, 6th Floor
New York, 10017 USA

Dear Mr Botha

Proposed International Standard on Auditing (ISA) 570 (Revised 202X), Going Concern and Proposed Conforming and Consequential Amendments to Other ISAs

The Auditing and Assurance Standards Board (AASB) of the Malaysian Institute of Accountants (MIA) welcomes the opportunity to provide its comments on the Exposure Draft, ISA 570 (Revised 202X), Going Concern and Proposed Conforming and Consequential Amendments to other ISAs issued by the International Auditing and Assurance Standards Board (IAASB).

Once the proposals are finalised, we would strongly recommend that the Board prepare a short summary and explanation of the changes, which include the practical implications for the auditors and what they are expected to do differently in practice, going forward. This would be very useful to standard setters and Professional Accountancy Organisations like us in serving our members.

We attach in Appendix 1, our responses to the questions in the Exposure Draft. We hope our comments would contribute to further deliberation by the IAASB on the matter. If you have any queries or require clarification of this submission, please contact Simon Tay Pit Eu at +603 2722 9271 or email to simontaypiteu@mia.org.my.

Thank you.

Yours sincerely

MALAYSIAN INSTITUTE OF ACCOUNTANTS

DR WAN AHMAD RUDIRMAN WAN RAZAK
Chief Executive Officer

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PART A: Overall Questions

1. Do you agree that the proposals in ED-570 are responsive to the public interest, considering the qualitative standard-setting characteristics and project objectives that support the public interest as set out in **Appendix 1**?

We are supportive of the majority of the proposed changes included in the ED-570. The new requirements and amendments in ED-570 have further enhanced the work required from the auditors to be more relevant, transparent and precise. The proposals have been emphasizing the change in requirements on risk assessment procedures as well as communication with those charge with governance and users of the financial statements by the auditors.

Audit operates as part of an inter-connected corporate reporting 'ecosystem'. This ecosystem has different members, i.e., the preparers, those charged with governance, investors, other users, regulators, as well as auditors. As in any ecosystem, effective functioning of the whole depends on every member operating effectively. As a general point, we encourage the IAASB to continue to actively work with others to build consensus on a package of reforms regarding the roles and appropriate responsibilities of all parties to the corporate reporting ecosystem that collectively can make a substantive change in addressing the expectation gap with respect to going concern and longer-term entity viability.

2. Do you believe that the proposals in ED-570, considered collectively, will enhance and strengthen the auditor's judgments and work relating to going concern in an audit of financial statements, including enhancing transparency through communicating and reporting about the auditor's responsibilities and work?

Yes. Risk assessment procedures are required from the auditors in identifying events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. Based on the identified issue on going concern, appropriate audit procedures are required.

To enhance the transparency and communication to the users of the financial statements, a separate section in the audit report relating to going concern is required from the auditors. This separate section will be communicating whether there is any going concern risk identified by the auditors as well as the audit procedures carried out to address the identified risk.

However, where the nature of an assessment is forward looking, there needs to be an acknowledgement that only limited challenge can be made about future events. It would be useful for the proposed revisions to further identify the difficulties in this area and explain why there is an added layer of complexity for judgements in relation to going concern. This could also be emphasized in the proposed disclosures too although we note that there are also issues with increasing the length of the audit report.

3. Do you believe the proposed standard is scalable to entities of different sizes and complexities, recognizing that general purpose financial statements are prepared using the going concern basis of accounting and that going concern matters are relevant to all entities?

Yes. The application material on scalability is helpful. Given the audit procedures are tailored accordingly to the risk relating to going concern in the risk assessment performed by the auditors, the audit procedures will be more relevant to respective entities. Other than that, depending on the size of the entity, nature of the risk and audit procedures carried out, there are different disclosures required in the audit report.

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Whilst we support in principle the proposed enhanced work effort requirements, including the need to evaluate the method, assumptions and data used in management's assessment of going concern, we believe some revisions are necessary to result in appropriately scalable requirements. ED570 does not draw specific distinction in the expected core risk assessment requirements and evaluation of management's assessment requirements between audit engagements for which there are no events or conditions that may cast significant doubt on the entity's ability to continue as a going concern and those engagements in which such events or conditions exists, where a more robust work effort will be needed. Further guidance may be useful, although we acknowledge that examples have been provided in supporting guidance to demonstrate how the nature and extent of the auditor's procedures may vary based on the nature and circumstances of the entity and depending on the method, assumptions and data used by management to assess the entity's ability to continue as a going concern.

4. Do the requirements and application material of ED-570 appropriately reinforce the auditor's application of professional skepticism in relation to going concern?

Yes. We welcome the emphasis in the revised standard that reinforces the concept of professional skepticism by introducing new requirements to:

- design and perform the audit procedures to evaluate management's assessment of going concern in an unbiased manner;
- evaluate whether the judgments and decisions made by management in making its assessment of going concern, even if they are individually reasonable, are indicators of possible management bias; and
- to consider all audit evidence obtained, including audit evidence that is consistent or inconsistent with other audit evidence, and regardless of whether it appears to corroborate or contradict the assertions in the financial statements (ED570.A10). The examples for corroborative or contradictory incorporated in ED570 to assist with application of professional skepticism in relation to going concern is helpful.

PART B: Specific Questions

5. Do you support the definition of Material Uncertainty (Related to Going Concern)? In particular, do you support the application material to the definition clarifying the phrase "may cast significant doubt"?

We support the definition of "Material Uncertainty (Related to Going Concern)".

However, the phrase "may cast significant doubt" used in ED570 seems to suggest that the auditor has to make a definitive determination about whether the entity will be unable to meet its obligations and continue its operations and only when the auditor is certain that the entity will not be able to meet its obligations that the threshold of "may cast significant doubt" is reached. The new definition of "may cast significant doubt" may have unintended consequences of improperly restricting the scope of events and conditions the auditor is required to identify to only those that the auditor is convinced will occur and therefore, require remedial actions.

Given that the events and conditions that lead to a material uncertainty are often judgmental and may not actually happen, but could potentially happen, further enhancement to the explanation on material uncertainty is required.

A suggestion on how this could be rephrased to avoid unintended consequences of restricting the scope of events and conditions:

"For the purpose of this ISA, the phrase "may cast significant doubt" is used in circumstances when the individual or collective magnitude of identified events or conditions that have occurred

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or may occur, is such that the entity would be unable to meet its obligations and continue its operations for the foreseeable future unless management takes remedial actions to mitigate the effects of these events or conditions.”

Further application material to facilitate the auditor's determination of when the entity "would be unable" to continue its operations is necessary to help guide the auditor through this evaluation.

6. Does ED-570 appropriately build on the foundational requirements in ISA 315 (Revised 2019) in addressing risk assessment procedures and related activities, to support a more robust identification by the auditor of events or conditions that may cast significant doubt on the entity's ability to continue as a going concern?

Yes. We support the proposal by the IAASB that ISA 570 (Revised 202X) be supplemented with the recently revised ISA 315 (Revised 2019) by mirroring the structure of requirements from the standard and being more explicit about the matters the auditor is required to obtain an understanding of in fulfilling the ISA 315 requirements. We note that the IAASB has also made the following enhancement that is beneficial for auditors:

- Obtaining an understanding of the entity and its environment, the applicable financial reporting framework and the entity's system of internal control (ED570.12).
- Enhanced and modernised examples of identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern (ED570.A6).

We support the proposal for better linkage (and more explicit about the matters that the auditor is required to obtain an understanding of in fulfilling those ISA315 requirements) of risk assessment procedures in respect of going concern with the auditor's understanding of the entity and its environment, the applicable financial reporting framework and the entity's system of internal control to identify events and conditions that may indicate a going concern issue (ED540.12) that will align with the work already being covered by the ISA 315 (Revised 2019).

We also welcome the following as part of the risk assessment process:

- Attention given to understand the key business risks that might call into question the entity's ability to continue as a going concern, in particular the requirement to understand how those charged with governance exercise oversight over management's assessment of the entity's ability to continue as a going concern (ED570.12) We suggest additional application material be included describing the importance of appropriate firm-level quality management policies and procedures in supporting the work performed by engagement teams in relation to considering risks relating to going concern and the design and performance of appropriate procedures to respond to assessed risks.
- Expansion of "stand back" requirement to consider all audit evidence obtained, corroborative and contradictory at the risk assessment stage (ED570.A10)

However, we would like to draw attention and seek clarification on the following matters:

- a) In accordance with ED570.11, the auditor is now required to "design and perform risk assessment procedures to **obtain audit evidence that provides an appropriate basis for the identification of events or conditions** that may cast significant doubt on the entity's ability to continue as a going concern.

We would appreciate more clarity on the appropriate level of audit evidence that the IAASB is expecting auditors to obtain as part of risk assessment. The paragraph (i.e. ED570.12) which follow, generally only focuses on "obtaining an understanding" as part of the risk assessment process. If there is expectation that there be sufficient appropriate audit evidence, we would be concerned that there is no defined guidance or threshold for what is considered to be sufficient for such procedures and therefore, there is a risk of inconsistent

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application as part of risk assessment process.

We suggest that the IAASB refine the wordings on this particular requirement in order to avoid confusion as to the expectation on the auditors to whether only focus on obtaining an understanding or to also obtain audit evidence that provides an appropriate basis for the identification of events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

- b) In addition, ED570.11 does not address scalability, in particular, to provide examples to demonstrate how the nature and extent of the auditor's risk assessment may vary based on the nature and circumstances of the entity. This includes for example:
- both the management and auditor concur there was no risk of material misstatement in relation to going concern identified;
 - both the management and auditor concur there was risk of material misstatement in relation to going concern identified;
 - although the auditor assessed and concluded that there was risk of material misstatement arising from going concern, management does not agree with the auditor's assessment and vice versa.
- c) ED570 may not sufficiently acknowledge the analysis and judgment needed by the auditors to identify events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. Our suggestion is for the IAASB to consider enhancing the wordings of ED570.A6 in order to acknowledge that the auditors may consider additional qualitative and quantitative considerations in identifying events and conditions relevant to going concern for evaluation and conclude that there is no individual and collective events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. In addition, it would be helpful to add application material to clarify the documentation expectation for this requirement.

7. Do you support the change in the commencement date of the twelve-month period of management's assessment of going concern, from the date of the financial statements (in extant ISA 570 (Revised)) to the date of approval of the financial statements (as proposed in paragraph 21 of ED-570)? When responding consider the flexibility provided in paragraphs 22 and A43–A44 of ED-570 in circumstances where management is unwilling to make or extend its assessment. If you are not supportive of the proposal(s), what alternative(s) would you suggest (please describe why you believe such alternative(s) would be more appropriate and practicable)?

Yes. Given the evolving uncertain environment that may create a threat to the entity's ability to continue as a going concern, we support the change in the commencement date of the 12-month period of management's assessment of going concern to the date of approval of the financial statements.

We also support the flexibility provided in ED570.A43 and ED570.A44 as this will allow auditors to exercise professional judgment in determining whether a sufficient assessment has been performed by management, taking into account the size, complexity and "financial viability" of the company, and in determining what is deemed a sufficient level of audit work on that assessment.

Other considerations

As a general point, whilst we support the above reformation, we believe that:

- a) reform should begin with new and more specific responsibilities for directors to assess the going concern. Hence the requirements on auditors to evaluate the 12-month period of management's assessment of going concern from the date of approval of financial statements needs to be align with the requirements of the financial reporting framework (for

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instance, IAS1 currently only requires a period of at least 12 months from the reporting date).

- b) in respect of ED570.A45, regulators play an important role in closing the expectation gap that already exists between management's and auditor's responsibilities in relation to the going concern assessment. Therefore, it is important for regulators to promote stakeholder understanding of the auditor's responsibilities and thus encourage management to extend the "look forward" period in their assessment to cover the minimum 12 months required for going concern from the date of the approval of financial statements. This would then better inform the auditor's assessment over the 12-month going concern period.

8. Do you support the enhanced approach in ED-570 that requires the auditor to design and perform audit procedures to evaluate management's assessment of going concern in all circumstances and irrespective of whether events or conditions have been identified that may cast significant doubt on the entity's ability to continue as a going concern?

We support the approach. Each requirement in isolation seems reasonable (and indirectly may also serve to drive a more rigorous focus by management in these areas).

Please refer to response in question (3) above with respect to the scalability of the proposals as a whole and the depth of work is necessary in circumstances when no events or conditions have been identified that may cast significant doubt on the entity's ability to continue as a going concern.

9. Does ED-570 appropriately incorporate the concepts introduced from ISA 540 (Revised) for the auditor's evaluation of the method, assumptions, and data used in management's assessment of going concern?

Yes. The new detailed requirements in ED570 (including ED570.A19) is consistent with the approach taken in ISA 540 (Revised) to enhance the rigour of the auditor's evaluation of management's assessment of the entity's ability to continue as a going concern.

10. Do you support the enhanced requirements and application material, as part of evaluating management's plans for future actions, for the auditor to evaluate whether management has the intent and ability to carry out specific courses of action, as well as to evaluate the intent and ability of third parties or related parties, including the entity's owner-manager, to maintain or provide the necessary financial support?

Yes. The requirements set forth should already be best practice and the proposed new supporting application guidance is likely helpful in setting out what is practically possible in these circumstances. With respect to third parties, there may be challenges in obtaining audit evidence. The new explicit requirement therefore provides additional support for auditors in concluding that a material uncertainty exists when there is an inability to obtain sufficient appropriate audit evidence about intent and ability, for example, a third party may refuse to respond to a written request.

In any situation that the auditors cannot assess or agree with the appropriateness of the management's assessment of going concern, the auditors may modify or disclaim the audit opinion in accordance with ISA 705.

However, we would like to draw attention on the possible practical limitation of the following matters for consideration of the IAASB:

- a) One of the procedures listed in 570.A48 is confirming the existence, legality and

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enforceability of arrangements to provide or maintain financial support with third parties or related parties, including the entity's owner-manager and evaluating the financial ability of such parties to provide additional funds. In this regard, we would like to clarify whether the intention is for the auditor to consider each of these 3 factors (i.e., existence, legality and enforceability) on a scalable basis how they (individually or in combination) might be relevant to the circumstance when such financial support is assessed, rather than as a precondition that all 3 factors must be met to obtain appropriate audit evidence. If the latter is expected, this may have unintended consequences as financial support letters may not always be a legally binding contract but serve as a constructive intention and commitment.

- b) Considering the likelihood of external finance provider being reluctant to confirm in writing to an entity or their auditor that borrowing facilities will be renewed, we suggest that the IAASB consider extending the application material (ED570.A51) to clarify that the auditors consider the rationale for the external finance provider refusing to confirm in writing in determining whether inquiring from the external finance provider alone is sufficient. There may be legal impediments or other customary restrictions on the external finance provider to provide such a written confirmation. However, there may be other evidence of communication or alternative indication by the external finance provider to the audit client that the negotiated funding is substantively agreed or negotiated for which the auditor may be able to obtain sufficient appropriate audit evidence.

11. Will the enhanced requirements and application material to communicate with TCWG encourage early transparent dialogue among the auditor, management and TCWG, and result in enhanced two-way communication with TCWG about matters related to going concern?

Yes. The proposed revisions appear reasonable.

12. Do you support the new requirement and application material for the auditor to report to an appropriate authority outside of the entity where law, regulation or relevant ethical requirements require or establish responsibilities for such reporting?

Yes. The requirement is conditional on the relevant jurisdictional law, regulation or relevant ethical requirements and is consistent with the equivalent requirement in ISA 250 (Revised) in relation to non-compliance with laws or regulations.

13. This question relates to the implications for the auditor's report for audits of financial statements of all entities, i.e., to communicate in a separate section in the auditor's report, under the heading "Going Concern" or "Material Uncertainty Related to Going Concern", explicit statements about the auditor's conclusions on the appropriateness of management's use of the going concern basis of accounting and on whether a material uncertainty has been identified.

Do you support the requirements and application material that facilitate enhanced transparency about the auditor's responsibilities and work relating to going concern, and do they provide useful information for intended users of the audited financial statements? Do the proposals enable greater consistency and comparability across auditor's reports globally?

The reporting requirements are consistent with the existing practice in several jurisdictions. We support further transparency in the auditor's report about the work undertaken in an audit when such additional disclosure objectives of being both meaningful and enhancing users' understanding of the scope and extent of the auditor's work. We believe that the information for intended users of the audited financial statements will be useful and that the proposal will enable greater consistency and comparability across auditor's reports globally.

For the avoidance of misperception by readers of the auditor's report and to assist them to better understand the auditor's report, there is a need to enhance the existing description of the auditor's

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work on going concern under the section on “Auditor’s Responsibilities for the Audit of the Financial Statements” in the auditor’s report, by including a caveat using the wording in ED570.7 as reproduced below.

“...The auditor cannot predict...future events or conditions. Accordingly, the absence of a reference to an identified material uncertainty related to events or conditions that may cast significant doubt on the entity’s ability to continue as a going concern in an auditor’s report cannot be viewed as a guarantee as to the entity’s ability to continue as a going concern.”

In addition, the IAASB should consider removing the words “if any” in ED570.33(b)(i) to address a possible situation where events or conditions have been identified that may cast significant doubt on the entity’s ability to continue as a going concern but based on the audit evidence obtained, the auditor concludes that no material uncertainty exists. If no disclosure is made on this matter in the financial statements, the auditor would be unable to make any reference to the consideration and judgement made by management in the auditor’s report.

With respect to having a separate conclusion on going concern, some members of the AASB have the following alternative views:

- a) Some members of the AASB have the concern that the proposed enhanced communication in the auditor’s report on going concern gives a perception of giving an opinion within an opinion. There should be clarity in the proposed standard and in the auditor’s report if the Going Concern section forms part of the opinion.
- b) Some members of the AASB are of the view that as an alternative to having an explicit conclusion which may be misconstrued by the reader, the auditor can begin by stating that the management has performed a going concern assessment and has identified that the going concern basis of accounting in the preparation of the financial statements is appropriate, followed by the auditor concurring with management’s assessment.

14. This question relates to the additional implications for the auditor’s report for **audits of financial statements of listed entities**, i.e., to also describe how the auditor evaluated management’s assessment of going concern when events or conditions have been identified that may cast significant doubt on the entity’s ability to continue as a going concern (**both when no material uncertainty exists or when a material uncertainty exists**).

- (a) Do you support the requirements and application material that facilitate further enhanced transparency about the auditor’s responsibilities and work relating to going concern?
- (b) Should this be extended to also apply to audits of financial statements of entities other than listed entities?

a) Yes. The reporting requirements are consistent with existing practice in several jurisdictions and are reasonable. From a methodology perspective, if the proposals are approved in their current form, consideration will need to be given to developing further guidance to support effective descriptions of how the auditor evaluated management’s assessment to avoid generic boilerplate reporting.

b) Whilst we believe that the application of this standard may be extended to entities other than listed entities is possible, this needs to be aligned with the requirements of the local law or regulatory, or auditing framework. Otherwise, we agree with the IAASB to promote voluntary application for entities other than listed entities as we can envisage circumstances when there are non-listed entities for which voluntary reporting on “material uncertainty related to going concern section’ may be appropriate to enhance transparency for intended users of financial statements in the auditor’s report (including those that may be of significant public

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interest such as banks, insurance companies, and pension funds).

15. Is it clear that ED-570 addresses all implications for the auditor's report relating to the auditor's required conclusions and related communications about going concern (i.e., auditor reporting is in accordance with ED-570 and not in accordance with ISA 701 or any other ISA)? This includes when a material uncertainty related to going concern exists or when, for audits of financial statements of listed entities, events or conditions have been identified that may cast significant doubt on the entity's ability to continue as a going concern but, based on the audit evidence obtained, the auditor concludes that no material uncertainty exists.

Yes, we broadly support the proposed enhanced disclosure for audits of listed entities in circumstances when events or conditions exist that may cast significant doubt on an entity's ability to continue as a going concern, but the auditor concludes there is no material uncertainty, but caution that this needs to be addressed carefully to avoid users misunderstanding what this additional reporting by the auditor is signifying. Refer to response in Question 14 above.

16. Are there any other matters you would like to raise in relation to ED-570? If so, please clearly indicate the requirement(s) or application material, or the theme or topic, to which your comment(s) relate.

We acknowledge that the IAASB has included important guidance on additional definitions but this is embedded in the application material (particularly ED570.A4, A5) rather than the requirements and thus, would appear to carry less weight.

Although ED570 describes the requirement on auditor's assessment on the period beyond the minimum period of going concern assessment, it will also be helpful to include more application guidance material on the relevant factors or circumstances that may warrant an auditor to request additional assessment to be made by management (including the look forward period that may be relevant for consideration, for example, the factors in determining a maximum window period).

We would like to draw attention to ED570.15 where it states that based on the auditor's evaluation of each of the components of the entity's system of internal control, the auditor shall determine whether one or more control deficiencies in respect of management's assessment of going concern have been identified. However, ED570 does not provide guidance on the implications and the procedures to be performed by the auditors in the case of the identification of control deficiencies. Expanding the application material on ED570.15 to address such control deficiencies may be helpful to provide clarity and consistency in the audit procedures.

We have the following comments on ED570.20:

- To clarify the period to be covered to extend auditor's enquiries beyond management's assessment period.
- To provide guidance on the extent of the enquiries itself given the Paragraph A40 mentions "the auditor does not have a responsibility to perform any other audit procedures to identify events or conditions that may cast significant doubt on the entity's ability to continue as a going concern beyond the period assessed by management, which, as required by paragraph 21, would be at least twelve months from the date of approval of the financial statements."

We have the following comments on ED570.32(b):

- Regarding going concern, there is no requirement under paragraphs 25 and 26 of IAS 1 *Presentation of Financial Statements*, to consider that the entity "may be unable to realize its assets and discharge its liabilities in the normal course of business." Therefore, it may not be appropriate to add this requirement in this ISA.

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- To include guidance on implications to the auditor reporting if the preparer disagrees to include this statement in the financial statements.

We would like to also suggest adding application material to ED570.30 on the thought process the auditors should follow in concluding whether material uncertainty exists, consistent with the IAASB's decision. In addition, there should be guidance on the extent of documentation expected of the auditors particularly on events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

We have the following comments on ED570.36:

- The ED-570 is not clear on whether the auditor is allowed to disclaim an opinion on the financial statements because of going concern alone. The sentence refers to a disclaimer of opinion, which may not necessarily be related to going concern. Further clarity in this area will be helpful.
- To include an illustrative report of a disclaimer of opinion due to multiple uncertainties involving the financial statements as a whole.

Regarding the "Auditor's Responsibilities for the Audit of Financial Statements" section of the auditor's report, it is noted in the explanatory memorandum that the IAASB has formed a view that a consequential amendment to this section of the auditor's report is not necessary as the auditor's report does not need to state every aspect addressed by ISA requirements and the existing section does not give rise to inconsistencies with the revisions being proposed. There is a need to update this section to align with the proposed additional commentary about going concern required by auditors to be made in the auditor's report, including for a listed entity. ED570 requires the auditor to provide a description on how the auditor has evaluated management's assessment of the entity's ability to continue as a going concern.

It would be helpful to include an explanatory diagram mapping going concern considerations and types of audit opinions. A similar approach can be adopted as seen in Appendix 1: Linking Going Concern Considerations and Types of Audit Opinions included in Auditing Standard ASA 570 Going Concern issued by the Auditing and Assurance Standards Board (AUASB) of Australia.

It would be helpful to include "Appendix 2 - Walkthrough of the Auditor's Decision-Making Process Whether a Material Uncertainty Exists" in the final standard. In addition, it is useful to clarify the order of the decision-making, for example, "1. Perform risk assessment procedures and related activities to identify events or conditions" and then "2. Perform audit procedures to evaluate management's assessment of going concern."

PART C: Request for General Comments

17. The Institute is also seeking comments on the matters set out below:

- (a) Translations—Recognising that many respondents may intend to translate the final ISA for adoption in their own environments, the Institute welcomes comment on potential translation issues respondents note in reviewing ED-570.

Not applicable for the Malaysian context.

- (b) Effective Date— Given the need for national due process and translation, as applicable, and the need to coordinate effective dates with the fraud project, the IAASB believes that an appropriate effective date for the standard would be for financial reporting periods beginning approximately 18 months after approval of the final standard. Earlier application would be permitted and encouraged.

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The IAASB welcomes comments on whether this would provide a sufficient period to support effective implementation of the ISA.

The IAASB anticipates that the final pronouncement will be approved in December 2024. We are supportive of the effective date to be for financial reporting periods beginning at least 18 months after approval of final pronouncement by IAASB, with early adoption being permitted.