

# Agenda Item 11-C

## The Auditor's Responsibilities Relating to Other Information in Documents Containing or Accompanying Audited Financial Statements and the Auditor's Report Thereon— Proposed International Standard on Auditing 720 (Revised)

**[Clean]**

(Effective for audits of financial statements for periods ending on or after [date])

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International Standard on Auditing (ISA) 720 (Revised), *The Auditor's Responsibilities Relating to Other Information in Documents Containing or Accompanying Audited Financial Statements and the Auditor's Report Thereon*, should be read in conjunction with ISA 200, *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing*.

## Introduction

### Scope of this ISA

1. This International Standard on Auditing (ISA) deals with the auditor's responsibilities relating to information (referred to as "other information" for the purpose of this ISA) that may be included, either by law, regulation, custom or voluntarily in documents containing or accompanying audited financial statements and the auditor's report thereon that are within the scope of this ISA.
2. The ISAs do not impose an obligation on the auditor to obtain assurance as to the accuracy, reliability or completeness of such other information sufficient to express a conclusion thereon. However, the auditor's responsibilities set out in this ISA are aimed at addressing the circumstances where:
  - (a) The credibility of the audited financial statements and the auditor's report thereon may be undermined by material inconsistencies between the other information and the audited financial statements; and
  - (b) The auditor identifies other information that is materially inconsistent with the auditor's understanding of the entity and its environment.
3. Law or regulation may require the auditor to specifically report on such other information. In these circumstances, those additional requirements are outside of the scope of this ISA. (Ref: Para. A1)
4. This ISA does not apply to preliminary announcements of financial information and securities offering documents or other prospectuses.<sup>1</sup> However, the auditor may be required by law, regulation or terms of contract to perform work on such documents. In these circumstances, this ISA may be applied, adapted as necessary.<sup>2</sup> (Ref: Para. A2–A3)

### Effective Date

5. This ISA is effective for audits of financial statements for periods ending on or after [date].

### Objective

6. The objective of the auditor is to respond appropriately when the auditor identifies information in documents containing or accompanying the audited financial statements and the auditor's report thereon that:
  - (a) Indicates the audited financial statements may be materially misstated; or
  - (b) Is inconsistent with the audited financial statements or the auditor's understanding of the entity and its environment acquired during the course of the audit.

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<sup>1</sup> Paragraph 7 of this ISA describes the key features of document(s) that are within the scope of this ISA.

<sup>2</sup> ISA 200, *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing*, paragraph 2

## Definition

7. For purposes of the ISAs, the following term has the meaning attributed below:

Other information – Information other than audited financial statements and the auditor's report thereon that is included, either by law, regulation, custom or voluntarily, in a document that is within the scope of this ISA. (Ref: Para. A4–A9)

A document is within the scope of this ISA only if it is prepared and issued by the entity, typically annually, as part of the initial release of the audited financial statements and the auditor's report thereon and displays all of the following key features: (Ref: Para. A10–A18)

(a) *Nature and purpose.* Either:

- (i) Contains audited financial statements and the auditor's report thereon; or (Ref: Para. A13)
- (ii) Accompanies the audited financial statements and the auditor's report thereon, and its primary purpose is to provide commentary to enhance the intended users' understanding of the audited financial statements and the financial reporting process. (Ref: Para. A14–A18)

(b) *Intended users.* Same as the intended users of the audited financial statements.

## Requirements

### Obtaining, Reading and Considering Other Information

8. The auditor shall make appropriate arrangements with management to obtain documents that are within the scope of this ISA. (Ref: Para. A19–A20)
9. In doing so, the auditor shall discuss with management:
- (a) The importance of obtaining the other information prior to the date of the auditor's report and if it is not possible to do so, of obtaining the other information as soon as practicable and, in any case prior to the issuance of such information; and
  - (b) The possible implications when the other information is obtained after the auditor has dated the auditor's report. (Ref: Para. A19–A20)
10. On obtaining the documents that are within the scope of this ISA, the auditor shall read and consider the other information in these documents in light of the auditor's understanding of the entity and its environment acquired during the course of the audit to identify whether it includes information that:
- (a) Indicates the audited financial statements may be materially misstated; or
  - (b) Is inconsistent with the audited financial statements or the auditor's understanding of the entity and its environment acquired during the course of the audit (Ref: Para. A21–A26)

11. In considering financial data in the other information, the auditor shall identify financial data where an inconsistency would have a material effect on the credibility of the audited financial statements and:
  - (a) For financial data that are intended to be the same as those in the audited financial statements, compare the financial data to the audited financial statements; and
  - (b) For financial data that are directly reconcilable to the audited financial statements, obtain management's reconciliation of such data and compare the components of the reconciliation to the audited financial statements. (Ref: Para. A27–A28)

### **Evaluating and Responding to Matters that Indicate the Audited Financial Statements May Be Materially Misstated**

12. If the auditor identifies a matter(s) that leads the auditor to believe that the audited financial statements may be materially misstated, the auditor shall perform procedures necessary under the ISAs to determine whether the matter(s) causes the audited financial statements to be materially misstated.
13. If the auditor determines that the matter(s) causes the audited financial statements to be materially misstated and management corrects the audited financial statements, the auditor shall carry out such procedures as necessary to determine that the correction has been made. When the other information is obtained after the date of the auditor's report, the auditor shall also take the appropriate actions in accordance with ISA 560.<sup>3</sup>
14. If the auditor determines that the matter(s) causes the audited financial statements to be materially misstated and management refuses to revise the audited financial statements, the auditor shall either:
  - (a) When the other information is obtained prior to the date of the auditor's report, modify the opinion in the auditor's report in accordance with ISA 705;<sup>4</sup> or
  - (b) When the other information is obtained after the date of the auditor's report, take the appropriate actions in accordance with ISA 560.<sup>5</sup>

### **Evaluating and Responding to Matters that May Indicate Inconsistencies in the Other Information**

15. If the auditor identifies a matter(s) in the other information that may be inconsistent with the auditor's understanding of the entity and its environment, other than when such matter(s) is clearly trivial, the auditor shall discuss the matter(s) with management, and, if the auditor believes it is necessary, shall perform other procedures to obtain further understanding of whether a material inconsistency exists. (Ref: Para. A29–A34)

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<sup>3</sup> ISA 560, *Subsequent Events*, paragraphs 10–17

<sup>4</sup> ISA 705, *Modifications to the Opinion in the Independent Auditor's Report*, paragraphs 6–28

<sup>5</sup> ISA 560, *Subsequent Events*, paragraphs 10–17

16. If the auditor concludes that a material inconsistency exists, the auditor shall request management to correct the other information. (Ref: Para. A29–A34)

*Other Information Obtained Prior to the Date of the Auditor's Report*

17. If the other information was obtained prior to the date of the auditor's report and if:
  - (a) Management agrees to make the correction, the auditor shall determine that the correction has been made; or
  - (b) Management refuses to make the correction, the auditor shall communicate this matter to those charged with governance and request that the correction be made.
18. If the other information is still not corrected, the auditor shall take appropriate action(s) including one or more of the following:
  - (a) Communicate that matter(s) in an Other Matter(s) paragraph in the auditor's report in accordance with ISA 706;<sup>6</sup>
  - (b) Disclaim the audit opinion on the financial statements when the matter(s) raises sufficient doubt about the integrity of management and those charged with governance, such that this may have an effect on the reliability of the other information and audit evidence in general; or
  - (c) Withdraw from the engagement, where withdrawal is possible under the applicable law or regulation;depending on:
  - (a) The extent to which the matter(s) could reasonably be expected to influence the economic decisions of the intended user taken on the basis of the audited financial statements and the other information as a whole; and
  - (b) The auditor's understanding of the reason(s) for not making the correction. (Ref: Para. A35–A37)

*Other Information Obtained After the Date of the Auditor's Report*

19. If the other information was obtained after the date of the auditor's report and if:
  - (a) Management agrees to make the correction, the auditor shall determine that the correction has been made; or
  - (b) Management refuses to make the correction, the auditor shall communicate this matter(s) to those charged with governance, and request that the correction be made.

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<sup>6</sup> ISA 706, *Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report*, paragraph 8

20. If the entity issues the other information prior to making the correction, the auditor shall take appropriate action taking into account the auditor's legal rights and obligations. (Ref: Para. A38)

### **Documentation**

21. Where the auditor has identified a material inconsistency in the other information, the auditor shall document how the auditor has addressed the inconsistency.
22. The auditor shall retain in the audit documentation the document(s) on which the auditor's work effort under this ISA was performed. (Ref: Para. A39–A40)

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### **Application and Other Explanatory Material**

#### **Scope of this ISA** (Ref: Para. 3–4)

- A1. Law or regulation may impose additional responsibilities on the auditor in relation to other information that are beyond the scope of this ISA. For example, some jurisdictions may require the auditor to apply specific procedures to certain of the other information, or to express a conclusion thereon, or to report on the other information or parts thereof.
- A2. Preliminary announcements of financial information are not within the scope of this ISA because they are issued prior to the completion of the preparation of financial statements and of the conduct of the audit and accordingly, do not contain audited financial statements and the auditor's report thereon.
- A3. Securities offering documents or other prospectuses are often subject to specific requirements contained in, for example, listing rules and securities statute that often include reporting requirements beyond that of the audit of the financial statements. As stated in ISA 200,<sup>7</sup> ISAs do not address the responsibilities of the auditor that may exist in legislation, regulation or otherwise in connection with, for example, the offering of securities to the public. Therefore, securities offering documents or other prospectuses are not within the scope of this ISA.

#### **Definition of Other Information** (Ref: Para. 7)

- A4. Other information in a document that is within the scope of this ISA may be financial or non-financial in nature and may be historical or prospective. Examples of other information include the following:

##### *Financial*

- Financial summaries or highlights
- Planned expenditures

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<sup>7</sup> ISA 200, paragraph 2

- Segment information<sup>8</sup>
- Financial ratios
- Selected quarterly financial data
- Financial key performance indicators
- Management commentary (see paragraph A5 of this ISA.)

*Non-Financial*

- Names and profiles of officers and directors
  - Employment data
  - Descriptions of business model, strategy, risks, and outlook
  - Governance statements
  - Sustainability and corporate social responsibility information (such as environmental, labor practices and working conditions, and product responsibility information)
  - Statements of internal control
  - Non-financial key performance indicators
- A5. The International Financial Reporting Standard (IFRS) Practice Statement on management commentary<sup>9</sup> explains that management commentary provides users with historical explanations of the amounts presented in the financial statements, specifically the entity's financial position, financial performance and cash flows. It also provides commentary on an entity's prospects and other information not presented in the financial statements. Management commentary also serves as a basis for understanding management's objectives and its strategies for achieving those objectives.
- A6. Unaudited supplementary information that is presented with and clearly differentiated from the audited financial statements is dealt with in ISA 700.<sup>10</sup> As explained in ISA 700,<sup>11</sup> such information falls within the definition of other information and is therefore within the scope of this ISA.
- A7. In some cases, the applicable financial reporting framework may permit disclosures required under the financial reporting framework to be located outside of the audited financial

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<sup>8</sup> ISA 501, *Audit Evidence—Specific Considerations for Selected Items*, deals with specific considerations by the auditor in obtaining sufficient appropriate audit evidence with respect to segment information in an audit of financial statements when, under the applicable financial reporting framework, the entity is required or permitted to disclose such information in the audited financial statements.

<sup>9</sup> IFRS Practice Statement, *Management Commentary* as at December 2010

<sup>10</sup> ISA 700, *Forming an Opinion and Reporting on Financial Statements*, paragraphs 46–47 and A45–A51

<sup>11</sup> ISA 700, paragraph A51

statements.<sup>12</sup> Nevertheless such disclosures are part of the audited financial statements, and therefore do not constitute other information for the purpose of this ISA.

- A8. eXtensible Business Reporting Language tagged data does not represent other information as contemplated in this ISA, because it is simply a machine-readable rendering of the data within the financial statements, rather than other information, as defined in paragraph 7.

#### Considerations Specific to Public Sector Entities

- A9. In the public sector, examples of other information may include efficiency targets and other performance metrics including, for example, those relating to quality of services and volume of work.

#### *Documents that are within the Scope of ISA 720 (Revised)* (Ref: Para. 7)

- A10. A document that is within the scope of this ISA is part of the integrated set of documents prepared and issued by the entity in connection with an entity's initial release of audited financial statements and the auditor's report thereon.
- A11. The initial release of audited financial statements and the auditor's report thereon refers to the initial release for a reporting period to the intended users. The entity may do so for example, at the annual shareholders meeting or by filing the documents with regulatory authorities, a local stock exchange or an official public repository. This is not intended to refer to documents prepared and issued an entity for initial public offering of stocks.<sup>13</sup>
- A12. There may be circumstances where the audited financial statements and the auditor's report thereon are subsequently distributed together with other information for example, in loan agreements and tender documents. The frequency, timing and manner of such subsequent distributions vary depending on circumstances. Such documents are not intended to be within the scope of this ISA.

#### Documents Containing Audited Financial Statements and the Auditor's Report Thereon (Ref: Para. 7(a)(i))

- A13. A document containing audited financial statements and the auditor's report thereon as described in paragraph 7 of this ISA is typically referred to as an annual report, although such a document may also be known by a different term.

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<sup>12</sup> For example, International Financial Reporting Standard (IFRS) 7, *Financial Instruments: Disclosures* permits certain disclosures required by the IFRSs to be either be given in the financial statements or incorporated by cross-reference from the financial statements to some other statement, such as a management commentary or risk report, that is available to users of the financial statements on the same terms as the financial statements and at the same time.

<sup>13</sup> See paragraph A3 of this ISA.

Documents Accompanying Audited Financial Statements and the Auditor's Report Thereon (Ref: Para. 7(a)(ii))

- A14. The purpose of a document accompanying the audited financial statements and the auditor's report thereon is essential to determining whether or not the document is within the scope of this ISA. Such accompanying documents that are within the scope of this ISA has a primary purpose of providing commentary to enhance the intended users' understanding of audited financial statements and the financial reporting process. Financial reporting process<sup>14</sup> refers to the process that is used to prepare an entity's financial statements which includes matters ranging from internal control to aspects of the entity's governance practices. ISA 315 (Revised) provides further explanatory guidance on an entity's financial reporting process.<sup>15</sup>
- A15. Examples of documents accompanying the audited financial statements and the auditor's report thereon that are within the scope of this ISA include the following:
- Management's discussion and analysis (or management report or operating and financial review) or similar reports by those charged with governance (for example, directors' report)
  - Corporate governance statement
  - Internal control and risk assessment reports
- A16. Documents that are generally considered to be outside the scope of this ISA are those whose primary purpose extends beyond the audited financial statements and the financial reporting process. Examples include documents prepared and issued by the entity on the following:
- Corporate social responsibility report
  - Sustainability report
  - Diversity and equal opportunity report
  - Product responsibility report
  - Labor practices and working conditions report
  - Human rights report
- A17. Documents within the scope of this ISA may be made available to the intended users in the form of printed hardcopy, or electronically, including by posting on the entity's website. Although the auditor is not expected to search the entity's website for documents that are within the scope of the ISA, a document that meets the criteria in paragraph 8 is within the scope of this ISA, irrespective of the manner in which it is made available to the intended users. In cases where for example, the document is only made available on the entity's

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<sup>14</sup> As used in the context of the ISAs.

<sup>15</sup> ISA 315 (Revised), *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and its Environment*

website, the auditor's procedures under this ISA would be performed on a version of the document obtained from the entity in accordance with paragraph 8 of this ISA.

A18. Documents within the scope of this ISA may be translated into other languages. The auditor's responsibilities under this ISA do not extend to these translations. However, the auditor may be required by law, regulation or terms of contract to perform work on such translated documents.

## **Obtaining, Reading and Considering Other Information**

### *Availability of Other Information* (Ref: Para. 8–9)

A19. This ISA applies regardless of whether the other information is obtained by the auditor prior to, or after, the date of the auditor's report. Obtaining the other information prior to the date of the auditor's report is important as it enables revisions, if any, to be made to the audited financial statements or the auditor's report, and corrections, if any, to be made to the other information prior to their issuance. An agreement with management as to when the other information will be available is desirable. The audit engagement letter may make reference to the agreement of management to make available to the auditor the other information in time to allow the auditor to complete the procedures required under this ISA.

A20. The auditor is not precluded from dating the auditor's report if the auditor has not obtained the other information. Paragraphs 12–14, 15–16 and 19–20 of this ISA describe the auditor's procedures when the other information is obtained after the date of the auditor's report.

### *Reading and Considering Other Information in Light of the Auditor's Understanding* (Ref: Para. 10)

A21. The auditor's understanding of the entity and its environment acquired during the course of the audit forms the basis for the auditor's consideration of the other information as required in this ISA. ISA 315 (Revised)<sup>16</sup> sets out the matters relating to the entity and its environment, including the entity's internal control, for which the auditor is required to obtain an understanding for the purpose of the audit. Such matters include the following:

- (a) The relevant industry, regulatory, and other external factors;
- (b) The nature of the entity;
- (c) The entity's selection and application of accounting policies;
- (d) The entity's objectives and strategies;
- (e) The measurement and review of the entity's financial performance; and
- (f) The entity's internal control.

A22. A document that is within the scope of this ISA may include other information that extends beyond the auditor's knowledge of the entity and its environment acquired in connection

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<sup>16</sup> ISA 315 (Revised), paragraphs A17–A104

with the audit. In meeting the requirements of this ISA, the auditor is not required to seek to enhance their knowledge of the entity and its environment beyond that required for purposes of the audit.

A23. The auditor is required by ISA 200<sup>17</sup> to plan and perform the audit with professional skepticism. Maintaining professional skepticism when reading and considering the other information includes, for example, recognizing that circumstances may exist that may raise doubt about the audited financial statements and other information, and possibly the competence, integrity, ethical values or diligence of management, or about its commitment to these.

*Responsibility for Reading and Considering Other Information* (Ref: Para. 11)

A24. In accordance with ISA 220,<sup>18</sup> the engagement partner is required to take responsibility for the direction, supervision and performance of the audit engagement in compliance with professional standards and applicable legal and regulatory requirements. In the context of this ISA, the engagement partner identifies the individuals on the engagement team, including the engagement partner, to be assigned tasks relating to reading and considering the other information. Factors to consider may include whether the individuals to be assigned the tasks have the relevant knowledge to consider the other information in light of the auditor's understanding of the entity and its environment acquired during the course of the audit.

A25. Typically, more experienced members of the engagement team would be assigned responsibility for other information that involves a greater amount of professional judgment. Similarly, less complex procedures involving a lower degree of judgment such as cross-checking of figures to the audited financial statements may be carried out by less experienced members of the engagement team.

A26. In the case of a group audit, there may be circumstances where the group engagement partner determines a need to engage the assistance of the component auditor.

*The Auditor's Consideration of Financial Data in the Other Information* (Ref: Para. 11)

A27. Other information may contain financial data that are directly extracted from the audited financial statements. Such financial data agree with the equivalent financial data in the audited financial statements. Other financial data are directly reconcilable to the audited financial statements and this is the case when the individual elements of such data can be agreed to the financial data in the audited financial statements. Examples include commonly used non-GAAP measures such as, earnings before interest, taxes, depreciation, and amortization (EBITDA) and free cash flow (FCF).

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<sup>17</sup> ISA 200, paragraph 15

<sup>18</sup> ISA 220, *Quality Control for an Audit of Financial Statements*, paragraph 15(a)

A28. There may be other financial data that may include information derived from the entity's financial reporting system but which are not directly reconcilable to the audited financial statements because such data contains elements which are not derived from the entity's underlying accounting records or are based on complex models. Examples include actuarial figures, prudential ratios and embedded values. Because there is no direct relationship between such data and the audited financial statements, such data is not directly reconcilable to the audited financial statements.

## **Evaluating and Responding to Matters that May Indicate Inconsistencies in the Other Information**

### *Inconsistencies in the Other Information* (Ref: Para. 15–16)

A29. Matter(s) in the other information may be inconsistent with the auditor's understanding of the entity and its environment (including the audited financial statements) in the following ways:

- A statement that the auditor considers to be incorrect, unreasonable or inappropriate; or
- A statement presented in a way that omits or obscures information that the auditor considers is necessary to properly understand subject(s) addressed in the other information.

A30. Inconsistencies identified by the auditor in the other information may range from those that the auditor considers are clearly trivial to those that the auditor considers are material inconsistencies and which need to be corrected in accordance paragraph 16 of this ISA. Material inconsistencies may be present for example, between required segment disclosures in the audited financial statements and related descriptions in the director's report. It may also be the case that other information that is inconsistent with the auditor's understanding of the entity and its environment is, in the auditor's judgment, not only materially inconsistent but also materially false or misleading. When the auditor becomes aware that the auditor has been associated with materially false or misleading other information, the IESBA Code<sup>19</sup> requires the auditor to take steps to be disassociated from that information.

A31. The effect of an inconsistency is considered to be material if, individually or in aggregate, it could reasonably be expected to influence the economic decisions of the intended user taken on the basis of the audited financial statements and the other information as a whole.

A32. When reading and considering the other information, the auditor is not expected to substitute the auditor's professional judgment for that of management and those charged with governance when dealing with matters requiring judgment that are the responsibilities of these parties. While it may be more difficult for the auditor to challenge management on a matter of judgment relating to such other information, there may be circumstances where the auditor may determine management assertions exist in the other information that are inconsistent with the auditor's understanding of the entity and its environment acquired during the course of the

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<sup>19</sup> The International Ethics Standards Board for Professional Accountants (IESBA) *Code of Ethics for Professional Accountants* (IESBA Code), Section 110.2

audit. Such a matter(s) may raise doubt about the audited financial statements or the other information.

- A33. If the auditor identifies other information that is inconsistent with the auditor's understanding of the entity and its environment, paragraph 15 of this ISA requires the auditor to discuss the matter(s) with management. The auditor's discussion with management may include requesting management to provide support for the basis of their assertions. The discussion with management may lead the auditor to conclude that the other information is not inconsistent because management has provided further information or explanations including, for example, where there are valid differences of judgment or opinion.
- A34. On the contrary, during the discussion with management, the auditor may obtain further information or explanations that reinforce the auditor's belief that the other information may be materially false or misleading. In such cases, the auditor performs other procedures in accordance with paragraph 15 of this ISA. The nature and extent of such procedures is guided by information obtained from the auditor's evaluation of the results of the audit procedures already performed, and the auditor's understanding of the entity and its environment acquired during the course of the audit. In certain circumstances, the auditor may not be able to assess management's responses to the auditor's inquiries and accordingly the validity of management's assertion. In these circumstances, other procedures the auditor may consider include requesting management to consult with a qualified third party such as legal counsel or other experts.

*Other Information Obtained Prior to the Date of the Auditor's Report* (Ref: Para. 18)

- A35. The auditor's action(s) if the other information is still not corrected depends on:
- (a) The extent to which the matter(s) could reasonably be expected to influence the economic decisions of the intended user taken on the basis of the audited financial statements and the other information as a whole; which may be influenced by the size or nature of the matter(s); and
  - (b) The auditor's understanding of the reason(s) for not making the correction. Such understanding may raise doubts about the integrity or honesty of management or those charged with governance when for example, the auditor suspects an intention to mislead.
- A36. The auditor may also consider it appropriate to seek advice from the auditor's legal counsel. In some cases, the auditor may be required by law, regulation or other professional standards to communicate the matter(s) to the regulator or relevant professional body.

*Considerations Specific to Public Sector Entities*

- A37. In the public sector, withdrawal from the engagement or withholding the auditor's report may not be possible. In such cases, the auditor may issue a report to the legislature giving details of the other information which is materially false or misleading.

*Other Information Obtained After the Date of the Auditor's Report* (Ref: Para. 19)

A38. The auditor's course of action depends upon the auditor's legal rights and obligations for example, in some cases the auditor may be required by law, regulation or other professional standards to communicate the matter to the regulator or relevant professional body or through other public disclosures. Consequently, the auditor may consider it appropriate to seek legal advice.

**Documentation** (Ref: Para. 22)

A39. In accordance with paragraph 22 of this ISA, the auditor makes the necessary arrangements with management to obtain the version of the document(s) that the entity intends to issue. Such arrangements may include, for example, obtaining the version of the document(s) that has been approved by the board of directors. The auditor may also consider whether to obtain a written representation from management regarding this matter.

A40. A copy of the document(s) on which the auditor has performed work under this ISA is included in the audit documentation so that, in cases where the document(s) is subsequently corrected by the entity without the knowledge of the auditor, such documentation serves as a record of the version on which the auditor has performed the work effort as required by this ISA.