

Supplement I to Agenda Item 9

RESPONSES RECEIVED ON THE EXPOSURE DRAFT

PROPOSED INTERNATIONAL STANDARD ON AUDITING 540 (REVISED), *AUDITING ACCOUNTING ESTIMATES AND RELATED DISCLOSURES*

COMMENTS TO QUESTION 8

Note: This supplement has been prepared for information only. A comprehensive summary of the significant comments received on the April 2017 Exposure Draft, Proposed International Standard on Auditing 540 (Revised), *Auditing Accounting Estimates and Related Disclosures* (ED-540) and related analyses of significant issues will be presented at subsequent IAASB meetings. All comment letters on the Exposure Draft can be accessed [here](#).

Q8. In addition to the requests for specific comments above, the IAASB is also seeking comments on the matters set out below:

- (a) **Translations**—Recognizing that many respondents may intend to translate the final ISA for adoption in their own environments, the IAASB welcomes comment on potential translation issues respondents note in reviewing the ED-540.
- (b) **Effective Date**—Recognizing that ED-540 is a substantive revision, and given the need for national due process and translation, as applicable, the IAASB believes that an appropriate effective date for the standard would be for financial reporting periods ending approximately 18 months after the approval of a final ISA. Earlier application would be permitted and encouraged. The IAASB welcomes comments on whether this would provide a sufficient period to support effective implementation of the ISA.

#	Respondent	Comments
Investors and Analysts		
1.	CFA	We believe that an 18-month transition period for the effective date is appropriate.
Those Charged with Governance		
2.	AICD	
Regulators and Oversight Authorities		

3.	BCBS	
4.	CEAOB	
5.	EBA	<p>Timeline</p> <p>As EU banking regulators, our primary concern regarding estimates is around the audit of banks' IFRS 9 ECL measurement and disclosures. While other estimates are important, not least fair value estimates, the introduction of IFRS 9 brings significant new challenges to both preparers and auditors. For this key post-crisis reform to be successful there must be regulator and market confidence in ECL and high quality audits of ECL are an important element that could contribute to that confidence.</p> <p>For these reasons we urge the IAASB to complete the revised ISA 540 as soon as possible without compromising the quality of the standard. Ideally we would like the revised ISA 540 to be applicable for 2018 audits but we recognise that this would not be in line with the usual IAASB adoption timelines. Nevertheless, we encourage the IAASB to promote early adoption of the standard where it believes it to be practicable for auditors. In addition, timely delivery of the revised ISA 540 will help to facilitate early adoption.</p>
6.	ESMA	<p>Finally, ESMA would like to ask the IAASB to finalise the revised standard on auditing of accounting estimates on a timely basis. In our view, the IAASB should enable and promote early application of the standard after its publication and facilitate the audit of ECL requirements, which are applicable from 1 January 2018.</p> <p><i>Effective date (Q8(b) of the Request for comments)</i></p> <p>While the impetus for revising the requirements for audit of accounting estimates is not limited to audit of ECL models, ESMA highlights the benefits of aligning the date of application of the new ISA 540 (Revised) and IFRS 9 to the extent possible. In this respect, ESMA regrets that full alignment is no longer possible given the mandatory effective date of IFRS 9. Consequently, ESMA believes that the IAASB should do its utmost to finalise a high-quality and comprehensive standard for auditing accounting estimates (including any specific guidance for financial institutions) in time that it could be early adopted for the audit of the first set of annual financial statements in which IFRS 9 is applied.</p>
7.	IAIS	<p>b) Effective Date—Recognizing that ED-540 is a substantive revision, and given the need for national due process and translation, as applicable, the IAASB believes that an appropriate effective date for the standard would be for financial reporting periods ending approximately 18 months after the approval of a final ISA. Earlier application would be permitted and encouraged. The IAASB welcomes comments on whether this would provide a sufficient period to support effective implementation of the ISA.</p> <p>The IAIS welcomes the introduction of the revised ISA 540 as soon as possible, noting that it provides a more relevant basis for the audit of accounting estimates made under IFRS 9 (Financial Instruments) which has a mandatory effective date for annual periods beginning on or after 1 January 2018, with earlier application permitted.</p> <p>However, we also appreciate the need to allow some time for jurisdictions and firms to transition to the substantively revised ISA 540. Consequently, we support the IAASB's view that an appropriate effective date for the standard would be for financial reporting periods</p>

		ending approximately 18 months after the approval of a final ISA, with earlier application to be permitted and encouraged. On that latter point, even before the approval of the final ISA, we believe that audit firms could and should be taking preliminary steps (such as internal education sessions, enhancements to their audit approach etc.) to ensure they can early apply the improved standard to their audits of accounting estimates.
8.	IFIAR	
9.	IOSCO	
10.	IRBA	<p>Question 8(a) No comment.</p> <p>Question 8(b)</p> <p>It is important that the IAASB provides a sufficient period to support the effective implementation of the final ISA 540 (Revised). This is particularly important since one of the focus areas of ED-540 is the enhanced risk assessment and response requirements that will be performed by auditors early on in their client's financial reporting period immediately before the effective date. As such, we agree with the IAASB's proposed effective date for financial reporting periods ending 18 months after the approval of the final ISA 540 (Revised). The IAASB should consider this date, alongside its process to finalise the ED, such that there is no further delay in this necessary standard.</p>
11.	UKFRC	<p>Effective date</p> <p>We believe it would be considered unreasonable for revised ISA 540 to be mandated to be applicable to all periods for which IFRS 9 is required to be implemented. However, given that IFRS 9 was one of the key drivers for the revision, we recommend that early adoption of the revised standard is permitted and that it is not finalised in a way that would preclude that (i.e. it would not necessitate substantive 'minuses' from the extant standard).</p>
National Auditing Standard Setters		
12.	AUASB	<p>(a) Not applicable to the AUASB – no further comments.</p> <p>(b) The AUASB supports an effective date of financial reporting periods ending approximately 18 months after the approval of a final ISA with earlier application permitted and encouraged. In saying that, given that ED 540 has changed considerably from the extant ISA 540, is much more extensive, and contains a number of prescriptive requirements, allowing extended time enables management to establish appropriate processes, controls and documentation required to enable the auditor to address the requirements of ED 540. Additional time is required to educate the business community, management and auditors with respect to the management's and auditor's responsibilities under ED 540. Over this period we would like to see the IAASB communicate broadly with the capital markets community regarding the intended benefits of the standard, commensurate with the additional potentially significant time and cost auditors will invest to comply with the standard. We consider the leadership of the IAASB in this regard is necessary to ensure the purchasers of audit services are well informed when considering the cost of delivering an audit service under the ISAs.</p>
13.	CAASB	a) We have not identified any potential translation issues.

		b) We are supportive of an effective date of 18 months after the approval of the final ISA. This is the typical implementation period for new or updated standards. We are also supportive that early application should be permitted.
14.	CNCC-CSOEC	<p>(a) As mentioned here above, we have a concern with the term "reasonable". We recommend the IAASB changing the term "reasonable" to "appropriate" when referring to disclosures.</p> <p>(b) We agree that an appropriate effective date for the standard would be for financial reporting periods ending approximately 18 months after the approval of a final ISA. We regret that ISA 540 will not be published ahead of IFRS 9 - Financial Instruments which was the initial intention of the IAASB.</p> <p>We understand that this standard is tackling several critical issues and therefore requires time to be developed. Having a well-developed standard will enhance the confidence of those using the standard and will help maintain audit quality. We are also supportive of permitting and encouraging an earlier application.</p>
15.	HKICPA	No response
16.	IDW	<p>a) With the exception of our comments in the accompanying letter on the length of the application material and the abuse of the word "including", we have no comments relating to translations.</p> <p>b) Given the applicability of IFRS 7, we agree that earlier application be permitted and encouraged. However, given the time needed for translation and due process in various jurisdictions and the fact that auditing firms need to implement significant changes to their systems and processes relating to accounting estimates in audits of financial statements, we believe that the standards should be mandatory for audits of financial statements for financial reporting periods beginning two years after the approval of the final ISA.</p>
17.	JICPA	No response
18.	MAASB	<p>(a) Not applicable.</p> <p>(b) As there are substantive revisions to the standard, the AASB is of the view that the proposed effective date is reasonable and provides a sufficient period for the AASB to support effective implementation of the final revised standard.</p>
19.	NBA	<p>Q8a We reiterate our general remark that long, complex sentences are difficult to translate. We recommend using shorter sentences. Furthermore, several terms such as 'level 1 inputs' might be difficult to translate.</p> <p>Q8b We consider a period of 18 months for implementation after approval of the final ISA a reasonable period. We support earlier implementation as IFRS 9 will be applicable earlier and audit firms might want to implement the final ISA as soon as possible.</p>
20.	NZAuASB	<p>The NZAuASB has no comment on potential translation issues.</p> <p>The NZAuASB supports an effective date of approximately 18 months after approval of the final ISA with early application permitted and encouraged. We believe that 18 months allows sufficient time for national due process.</p>
Accounting Firms		
21.	BDO*	a. We have long supported IFAC efforts to make ISAs and other IFAC pronouncements accessible to users through effective and

		<p>timely translation. There is some wording used in ED-540 that may need additional clarification particularly after translation has been performed.</p> <p>Paragraph A35 defines significant data as data for which a ‘reasonable variation in the data or assumption would materially affect the measurement of the accounting estimate’ . This term is used throughout ED-540 and due to its importance, we recommend expanding the definition and providing more examples to aid understanding and translation. The IAASB may also want to consider if, in the context of this particular new definition, whether there is:</p> <ul style="list-style-type: none"> • A potential need to revise extant use of the term ‘data’ in other ISAs • The definition as written, creates a consistency issue in respect of extant ISAs where the term ‘data’ is currently used • A better construction of the definition to help avoid user confusion about whether ‘significant’ implies qualitative and/or quantitative considerations, and • A risk of potential overlap with use of the term ‘data’ and ‘significant data’ as it relates to the work of the IAASB’s data analytics working group. <p>Further, the proposed change to assess whether disclosures are reasonable versus adequate in the extant ISA may not be clear. We suggest including more guidance around this change and the acceptable threshold levels related to reasonable instead of adequate. We also note that there is a potential inconsistency with the recently issued ISA 700 (Revised) Forming an Opinion and Reporting on Financial Statements, which requires an assessment of whether the disclosures are adequate.</p> <p>The application and other explanatory material uses the term ‘level 3 fair values’ when providing certain examples, such as paragraph A43 when discussing the involvement of experts. As this term is specific to IFRS, not all users may be familiar with its meaning in the context of accounting estimates. We recommend including a reference to the applicable accounting standard and an explanation of this term with context relating to accounting estimates.</p> <p>b. Effective Date —We believe that the proposed effective date of ED-540 would provide sufficient time to implement the new standard.</p>
22.	CHI*	
23.	DTT*	<p>a) Consistent with views expressed in this comment letter, DTTL notes that where possible the language should be as crisp and concise as possible. Opportunities to eliminate redundancies and repetitious phrases will assist in ensuring that the intention of requirements and the related application material are not “lost in translation.” These suggestions are included in DTTL’s listing of editorial comments in Appendix II.</p> <p>b) Many aspects of the proposed standard relate to risk assessment, and therefore need to be incorporated into the auditor’s risk assessment process as it relates to auditing accounting estimates early in the audit process. DTTL therefore recommends that the effective date be for financial reporting periods beginning approximately 18 months after the approval of a final ISA. DTTL also recommends that early adoption of the proposed standard be encouraged given the imminent effective date of certain financial reporting frameworks, such as IFRS 9.</p>

24.	EYG*	<p>a) No comment.</p> <p>b) As ED-540 includes significant enhancements to the risk assessment process for accounting estimates, which may be performed early in the financial period (e.g., within the first six months of the financial period in the case of many audits), we believe the IAASB should consider an effective date that allows sufficient time for implementation for audits of financial statements for periods beginning after a certain date (in our view, at least twelve months after approval). However, we do agree that earlier application should be permitted.</p>
25.	GTI*	<p>1. We believe that potential translation issues could be encountered unless the meaning and differentiation of the use of “estimate” and “estimates” is made clear, as this is a subtle nuance that can be easily lost.</p> <p>2. We agree that an effective date for ED 540 of 18 months from final approval of the standard would be appropriate. We also support permitting early implementation where possible, acknowledging that that translation of the proposed standard may affect the ability to early adopt in some jurisdictions.</p>
26.	KPMG*	<p>Considering the standard will not be effective for auditing estimates related to the significant new accounting standards (such as IFRS 9 and 15) which become effective on 1 January 2018, our preference would be to allow sufficient time to complete the additional work to ensure that the finalised standard is of high quality, fit for purpose and future proof to the extent possible, even if this means deferring the planned issue and effective date of the standard.</p> <p>This approach would also have the benefit of allowing the IAASB to:</p> <ul style="list-style-type: none"> — Better align ED-540 with the planned revisions to ISA 315, which is currently on the IAASB’s work plan; — Better understand the challenges faced by auditors as they apply extant ISA 540 to the audit of the more sophisticated estimates such as the expected credit loss model, and use these insights to further improve ED-540; and — Liaise with the PCAOB to achieve more convergence between the proposed standards on auditing accounting estimates, as mentioned above. Our initial review has identified several areas where the proposed approach taken by PCAOB significantly differs from the proposed approach in ED-540 and we do not believe it is in the public interest to have significantly divergent approaches with respect to auditing accounting estimates. <p>We understand the need to promptly address the evolution of financial reporting frameworks, such as IFRS, in a way that will provide auditors with tools to tackle the new challenges.</p> <p>Considering the standard would not apply to auditing the estimates related to the significant new accounting standards (such as IFRS 9 and 15), which become effective on 1 January 2018, we do not believe there is an urgent need to mandate a short period of time between the issuance of the standard and the time it becomes effective. Major revisions to ISA 540, as currently planned, will require significant time to at least:</p> <ul style="list-style-type: none"> — Study the requirements; — Identify any changes to current practice, including with respect to broader implications than those related to estimates (such as inherent risk assessment);

		<ul style="list-style-type: none"> — Agree on appropriate interpretation of the standard; — Incorporate the new guidance into firm’s manuals and tools; and — Provide training to firm’s personnel. <p>As these processes take time, we believe that the period of 18 months suggested in the question is the minimum time that should be provided from the moment the standard is issued and until the standard becomes effective. Notwithstanding that, early adoption should be permitted and encouraged.</p>
27.	PKF	<p>a) No comment.</p> <p>b) As indicted earlier, we encourage that there be no undue delays in releasing this Standard. We believe that 18 months would provide a sufficient period, and agree that earlier application should be permitted and encouraged.</p>
28.	PWC*	<p>a) No comments.</p> <p>b) We support an effective date of financial periods ending approximately 18 months after final approval of the ISA and that the usual permission to early adopt be maintained.</p>
29.	RSM*	<p>(a) We have no further comment on this point.</p> <p>(b) We have no issue with the effective date. The 18 month period should provide auditors with sufficient time to amend their methodologies to take account of the new ISA 540.</p>
30.	SRA	
Public Sector Organizations		
31.	ACAG	<p>Not applicable.</p> <p>b) ACAG does not believe this standard should be issued and effective prior to the revised ISA 315 given their inter-relationship. If ISA 540 were issued prior to revised ISA 315, there would be potential inconsistencies in the audit approach taken given the different terminology from the current ISA 315 and the move away from consideration of ‘significant risks’ and ‘risks of material misstatement’.</p> <p>ACAG further notes that there is inconsistency in the application date. Para 7 states that the effective date is for ‘periods beginning’ whereas the question is for ‘periods ending’.</p> <p>ACAG believes the effective date for ‘periods beginning’ would be more appropriate given the additional work effort required by both the preparers and auditors in complying with this standard.</p>
32.	AGA	We have no concerns regarding translations nor effective date, other than it may be useful to delay the standard until revisions, if any, are made to ISA 315.
33.	AGC	(a) We have no comment on potential translation issues.

		(b) Yes, in our view adoption of ISA 540 [Revised] 18 months after final approval would provide sufficient time for application.
34.	AGNZ	a) We have no specific comments to make on this matter. b) We have no specific comments to make on this matter.
35.	CIPFA	CIPFA has no comments to make on the matters above.
36.	GAO	(a) We are not providing comments in response to this question. (b) We believe that an 18-month transition period for the effective date is appropriate.
37.	INTOSAI	(a) Public sector considerations: No public sector considerations requiring communication to the Board were identified. (b) Public sector considerations: The implementation of revised ISA 540 will require a significant effort to update audit methodologies and to train audit staff. We suggest that the effective date be no sooner than the financial reporting period ending 24 months after the approval of the final revised ISA 540 to allow public sector audit offices, commonly subject to strict resource constraints, sufficient time to prepare for the implementation of these changes.
38.	PAS	a) N/A – no comment on potential translation issues. b) Yes, we think the effective date for the standard provides sufficient time to implement the standard.
Preparers of Financial Statements		
39.	ABA	
Member Bodies and Other Professional Organizations		
40.	ACCA- CAANZ	No response
41.	AE	Question 8a (44) We previously noted that the consequences of using words such as “may” or “could” may, when translated, lead to different interpretations and meanings. The use of consistent terminology throughout the standards is particularly important to avoid difficulties in the eventual translation of the text. The IAASB has generally used “may” throughout its standards, and thus consistency would be appropriate going forward. (45) We also recommend changing the word ‘reasonable’ to ‘appropriate’ when referring to disclosures. We refer to paragraph 21. As noted in paragraph A2, the word ‘reasonable’ means ‘all the relevant requirements of the applicable financial reporting framework have been applied appropriately’ whereas the term ‘appropriate’ includes also the element of judgement which is important when

		<p>deciding what disclosures to make about the accounting estimates. Indeed, according to paragraph A3 'appropriate' both conforms with the requirements of the applicable financial reporting framework and considers judgements that are consistent with the measurement basis in the applicable financial reporting framework.</p> <p>Question 8b</p> <p>(46) We agree that an appropriate effective date for the standard would be for financial reporting periods ending approximately 18 months after the approval of a final ISA. We are also supportive of permitting and encouraging an earlier application.</p> <p>(47) It is disappointing that ISA 540 cannot be published ahead of IFRS 9, which was the initial intention of the IAASB. Nevertheless, we understand that this standard is tackling several critical issues and therefore requires time to be developed. Having a well-developed standard will enhance the confidence of those using the standard and will help maintain audit quality.</p>
42.	AICPA	No response
43.	ANAN	8. (b) It is the considered opinion of ANAN that the 18 months ending approximately after the approval of the ISA should not be recommended to be retrospectively applied but should apply prospectively.
44.	CAI	No response
45.	CAQ	
46.	CPAA	<p>a. No comment.</p> <p>b. We consider that this would be an adequate timeframe for implementation.</p>
47.	CRUF	
48.	EFAA	<p>(a) The use of plain English should mitigate the risk of translators inadvertently changing the meaning of the original text.</p> <p>(b) We agree with an effective date set at around 18 months after approval. To aid implementation we recommend it be for a frequently used reporting date such as for financial statements for periods ending on or after December 15, 20XX.</p>
49.	FACPCE	<p>Answer 8) Translations</p> <p>We have not identified potential translation issues to Spanish</p> <p>Effective date</p> <p>We believe that the proposed effective date is appropriate and allow and early adoption consistent with the effective date of IFRS 9.</p>
50.	IAA	Refer to letter
51.	IAAA	<p>a) We have not identified potential translation issues to Spanish</p> <p>b) We understand that the deadline, if any, would be adequate. We have no objection to this.</p>

52.	IBRACON	<p>We believe that it is important to eliminate redundancies and repetitive phrases to make the translation effort easier and to avoid that the intention of the requirements and the related application material are lost in the translation.</p> <p>We understand the need to promptly address the evolution of financial reporting frameworks, however, considering the current timetable and the need to perform more work on ED-540 before it is finalized we would not expect it to become effective prior to December 31, 2019 audits.</p> <p>Therefore, we believe the IAASB should consider an effective date that allows sufficient time for implementation.</p>
53.	IBR-IRE	<p>Question 8a</p> <p>Words such as “may” or “could” may, when translated, lead to different interpretations and meanings. The use of consistent terminology throughout the standards is particularly important to avoid difficulties in the eventual translation of the text. The IAASB has generally used “may” throughout its standards, and thus consistency would be appropriate going forward.</p> <p>We also recommend changing the word ‘reasonable’ to ‘appropriate’ when referring to disclosures. We refer to paragraph 21. As noted in paragraph A2, the word ‘reasonable’ means ‘all the relevant requirements of the applicable financial reporting framework have been applied appropriately’ whereas the term ‘appropriate’ includes also the element of judgement which is important when deciding what disclosures to make about the accounting estimates. Indeed, according to paragraph A3 ‘appropriate’ both conforms with the requirements of the applicable financial reporting framework and considers judgements that are consistent with the measurement bias in the applicable financial reporting framework.</p>
54.	ICAEW	<p>(a) 71. We make no comment on this question</p> <p>(b)72. Periods ending on or after 15 December 2019 is a year late for expected credit losses but we will, and IAASB should, permit firms to early adopt the standard. IAASB might consider providing examples for financial institutions where there are common issues globally. IAASB might also consider encouraging national standard-setters to provide examples using national GAAP, including examples relating to financial instruments, for example. We understand that the FRC in the UK is considering this.</p>
55.	ICAG	No response
56.	ICAP	No response
57.	ICAS	<p>Response 8 (a)</p> <p>We have not identified any potential translation issues.</p> <p>Response 8 (b)</p> <p>We agree that an appropriate effective date for the standard would be for approximately 18 months after the approval of a final ISA and that earlier application should be permitted and encouraged. Although it is regrettable that the revised ISA 540 will not be published ahead of IFRS 9 coming into force, we believe that the ultimate objective should be the development and issue of an auditing standard of the highest quality and this should not be sacrificed in order to meet an earlier deadline.</p>

		We would also reiterate the comments in our response to question 3 that, given the interaction between ISA 540 and ISA 315, it is important that any anticipated revisions to ISA 315 that are likely to impact upon ISA 540 are properly considered and reflected before the revised ISA 540 is finalised.
58.	ICAZ	(a) RESPONSE None (b)RESPONSE 18 months is a fair space of time to obtain a thorough understanding of the revised standard and to set up implementation, it is appreciated that earlier application would be permitted and encouraged.
59.	ICPAK	a) Translations — Recognizing that many respondents may intend to translate the final ISA for adoption in their own environments, the IAASB welcomes comment on potential translation issues respondents note in reviewing the ED-540. N/A for the Kenyan environment b) Effective Date—Recognizing that ED-540 is a substantive revision, and given the need for national due process and translation, as applicable, the IAASB believes that an appropriate effective date for the standard would be for financial reporting periods ending approximately 18 months after the approval of a final ISA. Earlier application would be permitted and encouraged. The IAASB welcomes comments on whether this would provide a sufficient period to support effective implementation of the ISA. We agree with the proposed period for implementation together with earlier application being encouraged which would allow auditors apply the standard to developments in IFRS (e.g. IFRS 9, 16 and 17) by the time these standards are effective.
60.	ISCA	No response
61.	KICPA	No response
62.	NASBA	No response
63.	SAICA	(a) The IAASB’s pronouncements are not translated in South Africa. (b) Do you agree that the effective date should be 18 months after the approval of the final ISA, with early adoption being permitted and encouraged? Most of the survey respondents agreed that the effective date should be 18 months after the approval of the final ISA, with early adoption being permitted and encouraged. One survey respondent suggested that the effective date should be aligned to the effective date of IFRS 9 as this was one of the main reasons for the revision of the ISA. Another survey respondent suggested a 24 month period stating that the ED proposes a substantive revision to the audit approach. 18 months is too short for the significant development work to amend an audit methodology and working papers as

		<p>well as training of audit staff to appropriately apply the revised requirements.</p> <p>SAICA supports an 18 month or longer period before the revised ISA is made effective. The option to early adopt the revised ISA will address the concern raised regarding the effective date of IFRS 9.</p>
64.	SMPC	<p>(a) The main issue (as with all translations of technical material) is the risk of losing actual meaning of the material upon translation. Use of plain English will assist with minimizing this risk.</p> <p>(b) We appreciate the fact that regulators in particular are calling for the IAASB to deliver a revised ISA 540 as soon as possible. As the Board is aware, it is vitally important that the ISA 540 Task Force and ISA 315 (Revised) Task Force are as coordinated as much as possible in their approaches, to avoid a situation where the IAASB might need to revise ISA 540 within a relatively short period after its publication.</p> <p>An 18 month period would be a minimum from our point of view. We recommend a 24 month period after approval of the final ISA as it will take significant time for professional accountants, translators and industry to prepare for the changes.</p> <p>It would be helpful if the effective date is made for a common financial reporting date (e.g. effective for audits of financial statements for periods ending on or after December 15 [or June 15], 20XX). This would assist implementation for firm's methodologies, training manuals etc.</p>
Academics		
65.	GC	
Individuals and Others		
66.	CYGNUS ATRATUS	We have not identified any translation issues.
67.	NDEG	<p>a) Translations—Recognizing that many respondents may intend to translate the final ISA for adoption in their own environments, the IAASB welcomes comment on potential translation issues respondents note in reviewing the ED-540.</p> <p>8.1 No comments.</p> <p>b) Effective Date—Recognizing that ED-540 is a substantive revision, and given the need for national due process and translation, as applicable, the IAASB believes that an appropriate effective date for the standard would be for financial reporting periods ending approximately 18 months after the approval of a final ISA. Earlier application would be permitted and encouraged. The IAASB welcomes comments on whether this would provide a sufficient period to support effective implementation of the ISA.</p> <p>8.2 We support an effective date of periods ending on or after 15 December 2019, on the assumption that the Board approves the revised ISA in March 2018 and that the usual ability to early adopt is maintained.</p>