



International Auditing and Assurance Standards Board  
529 Fifth Avenue  
New York, NY 10017  
USA

July 1, 2019

**Subject: Nordic Federation of Public Accountants' Response to the IAASB's Quality Management Covering Explanatory Memorandum**

The Nordic Federation of Public Accountants (NRF) is pleased to provide you with its comments on the *Quality Management Covering Explanatory Memorandum*.

**General comments**

Regarding our general views and comments on the Exposed Quality Management Standards, we refer to the general comments in NRF's comment letter related to ISQM 1.

Yours sincerely,

A handwritten signature in black ink that reads 'Helene Agélii'. The signature is written in a cursive style with a prominent flourish at the end.

Helene Agélii  
Secretary General and CEO  
Nordic Federation of Public Accountants

**About NRF**

NRF is a separate legal institution, founded in 1932, acting on behalf of and under the direction of the recognized audit and accounting institutes in the Nordic region (DnR in Norway, FAR in Sweden, FLE in Iceland, FSR – danske revisorer in Denmark and Suomen Tilintarkastajat ry in Finland).

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## APPENDIX 1 – NRF comments to IAASB’s specific questions:

- 1) **Do you support the approach and rationale for the proposed implementation period of approximately 18 months after the approval of the three standards by the Public Interest Oversight Board? If not, what is an appropriate implementation period?**

Even though we anticipate that the final versions of the exposed Quality Management Standards will be much shorter, more principles-based and easier to understand, we still believe that 18 months is too short implementation period. Just the translation of the standards and the development of guidance and training will take time. In order to achieve the best result, the implementation period should not be less than 24 months.

- 2) **In order to support implementation of the standards in accordance with the IAASB’s proposed effective date, what implementation materials would be most helpful, in particular for SMPs?**

While finalizing this project, we believe that the IAASB will have to focus on improvements within the standards themselves. Such improvements, that will reduce the length and complexity of the standards and increase clarity, visibility and understanding of scalability options should also reduce the need of too excessive implementation material.

We would also urge the IAASB to take this opportunity to improve clarity by using simpler language and shorter sentences.

Since we assume that the final versions of these standards will be quite different from the proposed standards in the exposure drafts, it is too early to provide any specific views on this question.

However, it is most likely that the firms, when implementing these standards, would use the existing system, based on ISQC 1, as a starting point. Helpful implementation material would therefore include what aspects could be retained and what needs to be added in relation to the existing system. This could be dealt with by staff or other non-authoritative publications.