



27 July 2021

To: **Members of the Hong Kong Institute of CPAs**  
**All other interested parties**

**INVITATION TO COMMENT ON INTERNATIONAL AUDITING AND ASSURANCE  
STANDARDS BOARD'S (IAASB) EXPOSURE DRAFT, *PROPOSED  
INTERNATIONAL STANDARD ON AUDITING FOR AUDITS OF FINANCIAL  
STATEMENTS OF LESS COMPLEX ENTITIES (ISA FOR LCE)***

***Comments to be received by 31 December 2021***

The Hong Kong Institute of Certified Public Accountants' (Institute) Auditing and Assurance Standards Committee is seeking comments on the IAASB's Exposure Draft (ED) of its [new, stand-alone standard for audits of financial statements of less complex entities \(LCE\)](#).

The ED has been posted on the Institute's website at:  
<https://www.hkicpa.org.hk/en/Standards-and-regulation/Standards/Open-for-comment-documents/Auditing-and-Assurance>

The new proposed standard for audits of financial statements of LCEs will provide a globally consistent approach at a time where several jurisdictional-specific LCE standards or related initiatives are arising. The release of the ED is part of a broader effort to reduce complexity, improve understandability, and make International Standards on Auditing (ISAs) more scalable and proportionate to circumstances of audited entities. The new proposed standard's objective is appropriately focusing the work of auditors through requirements designed to be proportionate to the typical nature and circumstance of less complex entities.

Questions for respondents have been included in Appendix 2 "Request for Comments: Summary of Questions" to solicit specific feedback on the proposed new standard.

In accordance with the Institute's due process, comments are invited from any interested party and the Institute would like to hear from both those who do agree and those who do not agree with the contents of the ED.

Comments should be supported by specific reasoning and should be submitted in written form.

To allow your comments on the ED to be considered, comments are requested by the due date shown above.

Comments may be sent by mail, fax or e-mail to:

Standard Setting Department  
Hong Kong Institute of Certified Public Accountants  
37/F., Wu Chung House  
213 Queen's Road East  
Hong Kong

Fax number (+852) 2865 6776  
E-mail: [commentletters@hkicpa.org.hk](mailto:commentletters@hkicpa.org.hk)

Comments will be acknowledged and may be made available for public review unless otherwise requested by the contributor.

27 July 2021  
Invitation to Comment

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Response Due Date  
31 December 2021

*Exposure Draft*

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**Proposed International Standard on Auditing  
for Audits of Financial Statements of Less  
Complex Entities (ISA for LCE)**



Hong Kong Institute of  
**Certified Public Accountants**  
香港會計師公會

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Exposure Draft, *Proposed International Standard on Auditing for Audits of Financial Statements of Less Complex Entities (ISA for LCE)*

IAASB Press release

The Invitation to Comment can also be found on the Institute's website at:  
<https://www.hkicpa.org.hk/en/Standards-and-regulation/Standards/Open-for-comment-documents/Auditing-and-Assurance>.



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