
Implementation Guidance EP 100 IG 2 (Revised 2025)

Code of Professional Conduct and Ethics

Frequently Asked Questions on Key Audit Partners

This Implementation Guidance (IG) was first issued by the Council of the Institute of Singapore Chartered Accountants (ISCA) in March 2018.

This IG was revised on 4 July 2025 to provide clarification on the definition of, and rotation rules for key audit partners in EP 100 (revised on 20 March 2025).



CODE OF PROFESSIONAL CONDUCT AND ETHICS

FREQUENTLY ASKED QUESTIONS ON KEY AUDIT PARTNERS

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Introduction

Members of the Institute of Singapore Chartered Accountants (ISCA) must adhere to Ethics Pronouncement (EP) 100 *Code of Professional Conduct and Ethics* (EP 100) which is modelled after the *International Code of Ethics for Professional Accountants (including International Independence Standards)* published by the International Ethics Standards Board for Accountants (IESBA).

EP 100 also encompasses locally developed SG provisions included in the *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* issued by the Accounting and Corporate Regulatory Authority (ACRA). SG provisions (designated with the letters “SG” in EP 100 and ACRA Code) are local adaptations of the IESBA Code to serve the public interest in Singapore and to conform to Singapore’s regulatory environment and statutory requirements.

With the objective of supporting the accountancy profession by providing clarification on the definition and identification of key audit partners, ISCA has developed EP 100 IG 2 *Frequently Asked Questions on Key Audit Partners* to assist professional accountants and professional firms.

Definitions and Clarifications

(A) Audit Clients that are Public Interest Entities (PIEs)

(i) Definition of a Key Audit Partner (KAP)

The engagement partner, the individual responsible for the engagement quality review, and other audit partners, if any, on the engagement team who make *key decisions or judgements on significant matters* with respect to the audit of the financial statements on which the firm will express an opinion. Depending upon the circumstances and the role of the individuals on the audit, “other audit partners” might include, for example, engagement partners for certain components in a group audit¹ such as significant subsidiaries or divisions.

EP 100 (and ACRA Code) have prescribed rotation rules as a baseline and audit firms are encouraged to establish practices going beyond the minimum requirements in compliance with the spirit of the code. For instance, an audit firm with an adequate pool of partners would not rotate the same individual back to the audit client as a KAP after fulfilling the minimum cooling-off period. As a reminder, paragraph R540.21 of EP 100 sets out the restrictions on activities during the cooling-off period.

(ii) Engagement Partners (EPs)

The time-on period for EPs of audit clients that are PIEs is 7 cumulative years while the cooling-off period is 5 consecutive years².

A transitional provision allowed 3 consecutive years of cooling-off period for EPs of PIE audit clients for audit of financial statements for periods beginning prior to 15 December 2023. For audits beginning **on or after** 15 December 2023, the transitional provision is no longer applicable, and the cooling-off period will be 5 consecutive years.

(iii) Engagement Quality Reviewers (EQRs)

The time-on period for EQRs of audit clients that are PIEs is 7 cumulative years while the cooling-off period is 3 consecutive years³. Refer to illustrative scenario in FAQ 17.

(iv) Cooling-off Period for EP assuming the role of EQR

Singapore Standard on Quality Management 2 *Engagement Quality Reviews* (SSQM 2) requires the firm to establish policies or procedures that specify, as a condition for eligibility, a cooling-off period of two years⁴ before the EP can assume the role of EQR. The cooling-off period required by SSQM 2 is distinct from, and does not modify, the partner rotation requirements in Section 540 of EP 100 and ACRA Code.

¹ The group engagement partner (GEP) shall determine whether an audit partner who performs audit work at a component for purposes of the group audit is a KAP for the group audit (paragraph R405.18 of EP 100). Refer to FAQ 2.

² Paragraph R540.11 of EP 100.

³ Paragraph R540.12 of EP 100.

⁴ Paragraph 325.8 A3 of EP 100.

(v) Service in a combination of KAP roles

For audit clients that are PIEs, the required cooling-off period prescribed in EP 100 and ACRA Code for an individual who served in a combination of KAP roles are as follows:

Reference	Time-on	Cooling-off
R540.15	EP for 4 or more cumulative years	5 consecutive years
R540.16	EQR for 4 or more cumulative years	3 consecutive years
R540.17(a)	EP and EQR for 4 or more cumulative years, including as EP for 3 or more cumulative years	5 consecutive years
R540.17(b)	EP and EQR for 4 or more cumulative years, but as EP for less than 3 cumulative years	3 consecutive years
R540.18	Combination of KAP roles other than those addressed above.	2 consecutive years

Refer to illustrative scenarios in FAQs 14 to 16.

(B) EPs on Audits of SGX Listed Companies and Large Charities

For audits of companies listed on the Singapore Exchange Limited (SGX), Rule 713 of the extant Singapore Exchange Securities Trading Limited (SGX-ST) Listing Manual provides that the audit partner must not be in charge of more than 5 consecutive audits for a full financial year and the audit partner may return after 2 years.

Similarly, for audits of large charities and institutions of a public character (IPCs), the Charities Regulations require the auditor to be changed at least once every 5 years whether to another auditor from the same auditing firm or company or to another auditor from a different auditing firm or company.

For audits beginning **on or after** 15 December 2023, the time-on/cooling-off period for EPs of SGX listed companies, large charities and IPCs is 5 cumulative years/5 consecutive years respectively.

Role	EP 100 and ACRA Code		SGX-ST Listing Manual	Charities Regulations	Stricter of the requirements	
	With transitional provision	Without transitional provision			With transitional provision	Without transitional provision
	(time-on/cooling-off)	(time-on/cooling-off)	(time-on/cooling-off)	(time-on/cooling-off)	(time-on/cooling-off)	(time-on/cooling-off)
EP	7/3	7/5	5/2	5/5	5/3	5/5

Table 1: Stricter of the Rotation Requirements prescribed in the EP 100, ACRA Code, Charities Regulations and the SGX-ST Listing Manual

EPs on audits of SGX listed companies, large charities and IPCs are to comply with the **stricter of** the rotation requirements prescribed in EP 100, ACRA Code, Charities Regulations and the SGX-ST Listing Manual.

Refer to illustrative scenarios in FAQs 10 to 13.

Frequently Asked Questions (FAQs)

1. What is a “key decision or judgement on significant matter”?

As EP 100 does not provide guidance on what a “key decision or judgement on significant matter” constitutes, reference may be drawn from auditing standards which cover similar or related concepts.

While the Singapore Standards on Auditing (SSAs) do not define “key decision or judgement”, professional judgement in the context of audit engagements is defined in the Glossary to the SSAs as “the application of relevant training, knowledge and experience, within the context provided by auditing, accounting and ethical standards, in making informed decisions about the courses of action that are appropriate in the circumstances of the audit engagement”. Thus, any judgment relating to a significant matter is deemed a key judgement.

Similarly, the SSAs do not specifically define what constitutes a “significant matter”. Notwithstanding that, paragraph A8 of SSA 230 *Audit Documentation* provides the following as examples of significant matters:

- Matters that give rise to significant risks as defined in SSA 315 (Revised 2021) *Identifying and Assessing the Risks of Material Misstatement*⁵.
- Results of audit procedures indicating (a) that the financial statements could be materially misstated, or (b) a need to revise the auditor’s previous assessment of the risks of material misstatement and the auditor’s responses to those risks⁶.
- Circumstances that cause the auditor significant difficulty in applying necessary audit procedures.
- Findings that could result in a modification to the audit opinion or the inclusion of an Emphasis of Matter paragraph in the auditor’s report.

Another related concept would be “key audit matter”. According to paragraph 8 of SSA 701 *Communicating Key Audit Matters in the Independent Auditor’s Report*, key audit matters are those matters that, in the auditor’s professional judgement, were of most significance in the audit of the financial statements of the current period. Key audit matters are selected from matters communicated with those charged with governance. Paragraph 9 of SSA 701 further elaborates that some matters requiring significant auditor attention would include:

- Areas of higher assessed risk of material misstatement, or significant risks identified in accordance with SSA 315 (Revised 2021)⁵.
- Significant auditor judgements relating to areas in the financial statements that involved significant management judgement, including accounting estimates that are subject to a high degree of estimation uncertainty.
- The effect on the audit of significant events or transactions that occurred during the period.

The auditors should keep in mind or apply the above concepts to help them determine what may be considered “key decisions or judgements on significant matters”.

⁵ SSA 315 (Revised 2021), paragraph 12(l).

⁶ Financial Reporting Standard 1 *Presentation of Financial Statements* (FRS 1), paragraph 7b: “Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity”.

2. Are audit partners responsible for the audit of significant subsidiaries or divisions always required to be subject to rotation requirements as “other audit partners”?

The group engagement partner (GEP) shall determine whether an audit partner who performs audit work at a component for purposes of the group audit is a KAP for the group audit. If so, the GEP shall communicate that determination to the audit partner¹ who might be an individual assuming the role of EP, EQR or a “working partner” (refer to FAQ 5) at the component. Hence, the audit partner responsible for the audit of a significant subsidiary or division may or may not be subject to rotation requirements as a KAP. If in doubt, audit partners responsible for the audit of significant subsidiaries or divisions should clarify with their respective GEPs on whether they are KAPs for the group audit and in the case of PIEs, the stricter rules including rotation requirements that would apply.

The definition of a KAP in EP 100 and ACRA Code sets out that “other audit partners” might include, for example, EPs for certain components in a group audit such as significant subsidiaries or divisions.

SSA 600 (Revised) *Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)* highlights that component auditors can be, and often are, involved in all phases of the group audit. It emphasises the importance of two-way communications between the group auditor and component auditors, including communicating relevant ethical requirements. In particular, paragraph 25 of SSA 600 (Revised) requires the GEP to take responsibility for:

- Component auditors having been made aware of relevant ethical requirements that are applicable given the nature and circumstances of the group audit engagement; and
- Confirming whether the component auditors understand and will comply with the relevant ethical requirements, including those related to independence, that apply to the group audit engagement.

Illustrative Scenarios

The below illustrative scenarios are meant to provide broad guidance when assessing if a partner is a KAP. These illustrative scenarios are not meant to be an exhaustive list. For the purpose of the illustrative scenarios, the audit clients are assumed to be PIEs as defined in the Glossary of EP 100 and ACRA Code.

Technical Partner

- 3. Is the Technical partner considered a KAP of an audit engagement, if she is consulted on technical matters during the engagement (assuming the Technical partner is not the EQR of the same engagement)?**

A technical partner's role is to provide advice on technical (i.e. accounting and auditing) issues. But the technical partner does not make any decision on behalf of the EP who ultimately makes the final decision. Thus, in this respect, the technical partner is usually not considered a KAP.

Notwithstanding the above, in some circumstances, it is possible that the technical partner may have to make key decisions or judgements on significant matters. For example, if the issue is uncommon and there is no established literature or reference on the issue, the technical partner may have to make key decisions or judgements. In such circumstances, the technical partner may be considered a KAP on the engagement.

Senior Partner Consulted on Independence Issues in an Audit Engagement

- 4. A is a senior partner in her audit firm and the other partners in the firm usually consult her on independence issues in relation to their audit engagements. Is A a KAP in an audit engagement if the audit engagement team consults her on independence matters in relation to their audit engagement?**

The audit engagement team's consultation with A on independence matters is unlikely to directly influence the outcome of the audit engagement.

Hence, A's consultation would not constitute a key decision or judgement on significant matters having an impact on the financial statements. Thus, A should not be considered a KAP on the audit engagement.

Working Partner

- 5. B is a "working partner" who is involved in the engagement but does not sign the auditor's report. Is he considered a KAP?**

Considerations for KAPs are not dependent on whether a person signs the auditor's report.

While B does not sign the auditor's report, he would likely have made key decisions or judgements on significant matters relating to the audit as the working partner, which are then submitted to the EP for concurrence. Thus, B should be considered a KAP.

Relationship Partner

- 6. C serves as the “relationship partner” on his firm’s engagement with Company X. C’s responsibilities as relationship partner includes leading and coordinating his firm’s professional services to Company X. However, C is not the EP. Is C considered a KAP?**

If C’s role as “relationship partner” does not involve making key decisions or judgements on significant matters with respect to the audit of the financial statements on which the firm would express an opinion, C is not considered a KAP.

Partner Performing Review Engagement

- 7. D performs a review engagement for Company Y. However, she is neither the EP nor the EQR. Is D a KAP for the audit engagement with Company Y?**

The definition of KAP encompasses other audit partners who make key decisions or judgements on significant matters with respect to the audit of the financial statements on which the firm will express an opinion. It does not cover engagements (such as reviews) other than audits. Hence, D is not considered a KAP.

Partner Consulted Prior to Audit Engagement

- 8. E is the most experienced partner in his firm and he is regarded as the subject matter expert for clients in the shipping industry. His colleague, F, had consulted him to get a better understanding of issues facing companies in the shipping industry before she tendered her proposal to bid for the audit engagement of Company Z, a shipping company. F subsequently won the tender and is now the EP of Company Z. E is neither involved in the audit of Company Z nor consulted on any other matters relating to the audit of Company Z.**

Is E considered a KAP by virtue of the consultation with him on Company Z prior to the engagement?

E is not the EP or EQR of Company Z. As the consultation took place prior to the engagement, it is also unlikely that E would have provided inputs on significant matters relating to the current audit engagement with Company Z. As such, E should not be considered a KAP.

Manager Becoming a KAP

- 9. A manager served on the engagement team for a PIE audit client for 5 cumulative years before being promoted to partner. How many years may he or she serve on the engagement as a KAP for that audit client?**

The rotation requirements in EP 100 apply to time spent as a KAP. In principle, the individual may serve 7 cumulative years as a KAP. However, paragraph 540.3 A3 of EP 100 indicates that in evaluating the threat created by long association, the overall length of an individual’s association with the client, how long the individual has been on the engagement team and the roles that he or she has played should be taken into account. A firm may decide that it is appropriate to rotate an individual off the engagement team before the end of the 7-year period (or to serve a “cooling-off period” before re-joining the engagement team as a KAP).

Rotation Requirements for Audits of SGX Listed Companies

10. EP of a SGX listed company served for 5 consecutive years with completion of the 2021 audit and starts to cool off from 2022 audit

The EP will complete 2 years of cooling-off by the 2023 audit, which is the last financial year for which the transitional provision applies. Hence, the EP needs to cool off for an additional year (i.e. 2024 audit) to reach the 3 consecutive years of cooling-off before coming back to the engagement for a new 5-year term from 2025.

2017	2018	2019	2020	2021 (Year 5)	2022	2023	2024	2025 (Year 1)	2026	2027	2028	2029
EP	EP	EP	EP	EP	X	X	X	EP	EP	EP	EP	EP

End of transitional period 5 years EP to 2029

11. EP of a SGX listed company serves for 5 years with completion of the 2023 audit

The transitional provision will no longer be applicable, and the EP will need to cool off for 5 consecutive years from 2024 before he can return as the EP for a new 5-year term from 2029.

2019	2020	2021	2022	2023 (Year 5)	2024	2025	2026	2027	2028	2029 (Year 1)	2030	2031	2032	2033
EP	EP	EP	EP	EP	X	X	X	X	X	EP	EP	EP	EP	EP

End of transitional period

5 years EP to 2033

12. EP of an audit client that becomes a PIE after successful listing on the SGX

The EP of an audit client served for 6 consecutive years with completion of the 2024 audit. The audit client successfully lists on the SGX and becomes a listed company and PIE in 2025. Paragraph R540.8 of EP 100 requires the firm to consider the length of time the EP has served the audit client as a KAP before the client becomes a PIE in determining the timing of rotation. As an exception to the rule, the same paragraph allows an EP who has served as a KAP for 6 or more years to continue in that capacity with the concurrence of those charged with governance for a maximum of 2 additional years before rotating off the engagement.

Rule 713(2) of the SGX-ST Listing Manual provides that: “If the listing of an issuer occurs after 5 consecutive audits by the same audit partner in charge, the same audit partner may complete the audit of the financial year in which the issuer lists.” EPs on audits of SGX listed companies are to comply with the **stricter of** the rotation requirements prescribed in EP 100 and the SGX-ST Listing Manual. Hence, the audit partner may continue to serve as the EP for a maximum of 1 additional year i.e., on the 2025 audit, before he or she is required to cool off for 5 consecutive years from 2026.

2019	2020	2021	2022	2023	2024 (Year 6)	2025	2026	2027	2028	2029	2030
EP	EP	EP	EP	EP	EP	EP	X	X	X	X	X

Listing on SGX and serving an additional year as EP

13. Service in a combination of KAP roles (1)

The EP of a SGX listed company served for 5 consecutive years with completion of the 2021 audit. SSQM 2 mandates a cooling-off period of two years before the EP can assume the role of EQR. To comply with SSQM 2, the EP is required to cool off for 2 years before he or she may return to serve as EQR for 2 years. As the audit partner has served a total of 7 years in a combination of KAP roles, including 5 years as the EP and 2 years as the EQR, he or she is required to cool off for 5 consecutive years⁷ before he or she may return to the audit engagement for a new term.

2017	2018	2019	2020	2021 (Year 5)	2022	2023	2024 (Year 1)	2025	2026	2027	2028	2029	2030
EP	EP	EP	EP	EP	X	X	EQR	EQR	X	X	X	X	X

End of transitional period
2 years EQR to 2025

Rotation Requirements for Audits of PIEs

14. Service in a combination of KAP roles (2)

The EP of a PIE audit client served for 3 consecutive years with completion of the 2021 audit. To comply with SSQM 2, the EP is required to cool off for 2 years before he or she may return to serve as EQR for 4 years. As the audit partner has served a total of 7 years in a combination of KAP roles, including 3 years as the EP and 4 years as the EQR, he or she is required to cool off for 5 consecutive years⁷ before he or she may return to the audit engagement for a new term.

2019	2020	2021 (Year 3)	2022	2023	2024 (Year 1)	2025	2026	2027	2028	2029	2030	2031	2032
EP	EP	EP	X	X	EQR	EQR	EQR	EQR	X	X	X	X	X

End of transitional period
4 years EQR to 2027

⁷ In this scenario, the audit partner did not serve the required cooling-off period of 3 consecutive years under the transitional provision. As he or she has served in a combination of EP and EQR roles for 4 or more cumulative years, including as EP for 3 or more years, the cooling-off period shall be 5 consecutive years (paragraph R540.17(a) of EP 100).

15. Service in a combination of KAP roles (3)

The EP of a PIE audit client served for 2 consecutive years with completion of the 2021 audit. To comply with SSQM 2, the EP is required to cool off for 2 years before he or she may return to serve as EQR for 5 years. As the audit partner has served a total of 7 years in a combination of KAP roles, including 2 years as the EP and 5 years as the EQR, he or she is required to cool off for 3 consecutive years⁸ before he or she may return to the audit engagement for a new term.

2020	2021 (Year 2)	2022	2023	2024 (Year 1)	2025	2026	2027	2028	2029	2030	2031
EP	EP	X	X	EQR	EQR	EQR	EQR	EQR	X	X	X

5 years EQR to 2028

16. Service in a combination of KAP roles (4)

The EP of a PIE audit client served for 3 consecutive years with completion of the 2021 audit. The audit partner may serve a total of 7 consecutive years in a combination of KAP roles, including 3 years as the EP and 4 years as other KAP (i.e., other than EP or EQR role). After that, the audit partner is required to cool off for 2 consecutive years⁹ before he or she may return to the audit engagement for a new 7-year term (including as the EP or EQR).

2019	2020	2021 (Year 3)	2022	2023	2024	2025 (Year 4)	2026	2027	2028 (Year 1)	2029	2030	2031	2032	2033	2034
EP	EP	EP	KAP	KAP	KAP	KAP	X	X	KAP	KAP	KAP	KAP	KAP	KAP	KAP

7 years KAP to 2034

⁸ As the audit partner has served in a combination of EP and EQR roles for 4 or more cumulative years but as the EP for less than 3 years, the cooling-off period is 3 consecutive years (paragraph R540.17(b) of EP 100).

⁹ As the audit partner has not acted as the EP or in a combination of EP and EQR roles for 4 or more cumulative years, the cooling-off period is 2 consecutive years (paragraph R540.18 of EP 100).

17. EQR of a PIE audit client serves for 7 years with completion of the 2021 audit

If the EQR has served the time-on limit of 7 years by the 2021 audit, the EQR is required to cool off for 3 consecutive years¹⁰ before he or she may return to the audit engagement for a new 7-year term.

2015	2016	2017	2018	2019	2020	2021 (Year 7)	2022	2023	2024	2025 (Year 1)	2026	2027	2028	2029	2030	2031
EQR	EQR	EQR	EQR	EQR	EQR	EQR	X	X	X	EQR	EQR	EQR	EQR	EQR	EQR	EQR

7 years EQR to 2031

¹⁰ Paragraph R540.12 of EP 100.

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