

## **IMPORTANT ANNOUNCEMENT**

### **Important Announcement on revised Effective Date/ Applicability of following Standards on Auditing –**

- **SA 700 (Revised), “Forming an Opinion and Reporting on Financial Statements”**
- **SA 701, “Communicating Key Audit Matters in the Independent Auditor’s Report”**
- **SA 705 (Revised), “Modifications to the Opinion in the Independent Auditor’s Report”**
- **SA 706 (Revised), “Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor’s Report”**

1. The Council of the ICAI, at its 364<sup>th</sup> meeting held on March 23-25, 2017 considered the deferment of applicability date of SA 701 and Revised SAs 700, 705, 706. At the meeting, the Council noted the following points:

- SA 701 and Revised SAs 700, 705 & 706 were approved by the Council at its 350<sup>th</sup> meeting held in February 2016. All these standards are applicable for audits of financial statements for periods beginning on or after April 1, 2017.
- Members have requested ICAI to consider the deferment of applicability of these standards by a period of one year because the members are finding it difficult to implement them. There is need to provide adequate training and implementation guidance to the members on these standards so as to equip them with the requirement and to implement these standards appropriately. It was then noted that issue of Implementation Guide and training programmes may take considerable time.

2 After detailed deliberations at the meeting, the Council, in partial modification of the decision taken by it at its 350<sup>th</sup> meeting held in February 2016, decided that the effective date/applicability of the following Standards on Auditing –

- SA 700 (Revised), “Forming an Opinion and Reporting on Financial Statements”
- SA 701, “Communicating Key Audit Matters in the Independent Auditor’s Report”
- SA 705 (Revised), “Modifications to the Opinion in the Independent Auditor’s Report”
- SA 706 (Revised), “Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor’s Report”

be deferred by one year and consequently the said Standards shall now be effective/applicable for audits of financial statements for periods beginning on or after **April 1, 2018** (instead of audits of financial statements for periods beginning on or after **April 1, 2017** as was earlier decided and referred to above).

**However, please note that the extant SAs 700, 705 and 706 will continue to apply.**

This is for information and compliance to all concerned.

Issued under the authority of the Council of ICAI

Chairman,  
Auditing and Assurance Standard Board