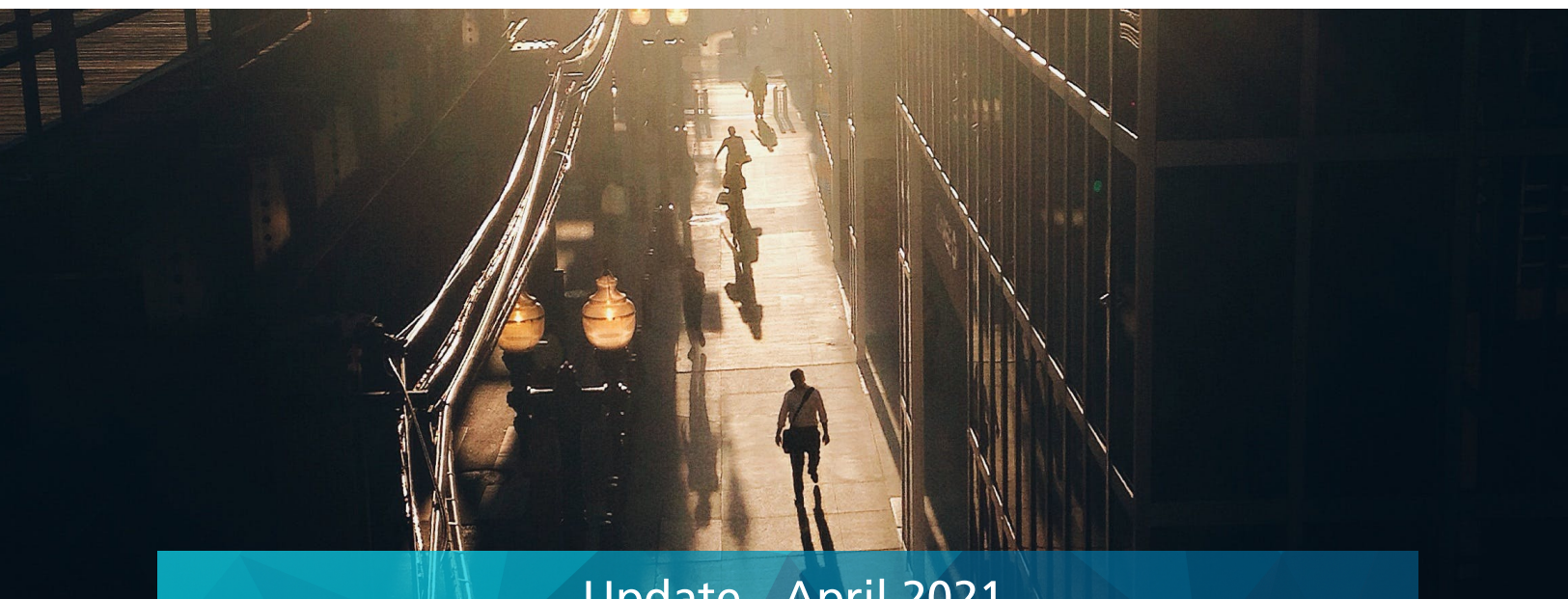


Long Association Post-Implementation Review - Phase 1



Update - April 2021

In accordance with the commitment it made, the International Ethics Standards Board for Accountants (IESBA) has commenced phase one of its post-implementation review ('LAPIR') of the revisions to the long-association provisions in section 540 of the IESBA Code issued in January 2017 and effective from December 15, 2018.



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For more information about the IESBA's LAPIR, or if you have any comments, please contact:

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Long Association Post-Implementation Review - Phase 1

IESBA Commitment to the LAPIR

The IESBA's Strategy and Work Plan 2019-2023 has identified two phases of the LAPIR.

Phase 1

- This phase will review the implementation status of the five-year cooling-off requirement for engagement partners on audits of PIEs, and any issues anticipated from the expiry in December 2023 of the jurisdictional provision (paragraph R540.19 of the Code).
- Commenced in Q1 2021.

Phase 2

- This phase will review how effectively the other revised long association provisions in the Code are being implemented in practice, taking into account other regulatory regimes around the world intended to address long association (e.g., mandatory firm rotation and mandatory retendering).
- Due to commence in Q2 2023.



IESBA 2019 - 2023
Strategy and Work Plan



Jurisdictional Provisions (Extract from the Code)

R540.19 Where a legislative or regulatory body (or organization authorized or recognized by such legislative or regulatory body) has established a cooling-off period for an engagement partner of less than five consecutive years, the higher of that period or three years may be substituted for the cooling-off period of five consecutive years specified in paragraphs [R540.11](#), [R540.14](#) and [R540.16\(a\)](#) provided that the applicable time-on period does not exceed seven years.

Update - April 2021

Update - April 2021

Phase 1 Information Gathering

The focus of the LAPIR Phase 1 will be on the use of the jurisdictional provision which is due to expire on December 15, 2023 and how jurisdictions will transition to the five-year cooling off period for engagement partners of PIE audits.

The IESBA will gather information for its LAPIR Phase 1 through the following:

- A questionnaire that aims to solicit views and input from all stakeholder groups, including regulators and oversight bodies, national standard setters, professional accountancy organizations and firms.
 - Due to be released in April 2021
- Targeted outreach activities with global, regional and local stakeholders, particularly those that have relied on the jurisdictional provision.
 - Due to take place between May and September 2021

Phase 1 Timeline

March 2021	Board confirmation of scope and approach
April 2021	Release of stakeholders' questionnaire
May - Sept 2021	Targeted stakeholders' outreach
Sept 2021	Board review of LAPIR Working Group findings and recommendations
Dec 2021	Board discussion of final recommendation and determination

Useful Links

[Questions and Answers - Long Association Of Personnel With An Audit Client](#)

[Close-Off: Changes to the Code Addressing the Long Association of Personnel with an Audit or Assurance Client](#)

[The eCode is an electronic version of the currently effective IESBA Code](#)

