

Meeting: IESBA CAG

Meeting Location: New York

Meeting Date: March 9, 2020

Agenda Item

F

Definitions of Listed Entity and Public Interest Entity

Objectives of Agenda Item

1. To provide views on the project proposal, [Definitions of Listed Entity and Public Interest Entity](#) (PIE project) approved by the IESBA at its December 2019 meeting.
2. To discuss the Task Force's¹ observations based on its information gathering to date and its preliminary views.

Project Status and Timeline

3. The IESBA has committed in its [Strategy and Work Plan, 2019-2023](#) (SWP) to explore whether the definitions of the terms "listed entity" and "public interest entity" (PIE) in the Code should be revised and to assess the implications of any changes, especially in relation to the International Independence Standards in Part 4A of the Code.
4. Whilst the PIE project was scheduled to commence only in Q2 2021 in accordance with the SWP, the IESBA agreed that it should be brought forward to provide clarity about the scope of entities that would be impacted by the proposed changes in both the [Non-Assurance Services](#) (NAS) and [Fees Exposure Drafts](#) (EDs) released in January 2020. Both the NAS and Fees projects are proposing additional independence requirements for PIE audits.
5. At its December 2019 meeting, the IESBA unanimously approved the PIE project proposal with the following objectives:
 - (a) To review, in coordination with the IAASB, the definitions of the terms "listed entity" and "PIE" in the Code with a view to revising them as necessary so that they remain relevant and fit for purpose; and
 - (b) In doing so, to:

¹ Members:

- Michael Ashley, Chair, IESBA Member
- Liesbet Haustermans, IESBA Member
- Ian McPhee, IESBA Member
- Andrew Mintzer, IESBA Member

Correspondent members:

- Fiona Campbell, IAASB Deputy Chair
- Josephine Jackson, IAASB Member

- (i) Establish agreement between the IESBA and IAASB on a common revised definition of the term “listed entity” that would be operable for both Boards’ standards; and
- (ii) Develop a pathway that would achieve convergence between the concepts underpinning the definition of a PIE in the Code and the description of an Entity of Significant Public Interest (ESPI) in the IAASB standards to the greatest extent possible.

While this project proposal makes reference to the terms PIE and ESPI, a key objective of the project is to develop a pathway to convergence on the underlying concepts (referred to as concepts of PIE/ESPI for short) and not the terms themselves. If convergence is achieved, the IESBA and IAASB may agree on a single term.

6. The Task Force Chair will be presenting the Task Force’s preliminary views and seeking input from participants at the following upcoming meetings:
 - March 2020 IESBA meeting.
 - April 2020 Forum of Firms meeting, Deep Dive Session
 - May 2020 National Standard Setters meeting
7. The Task Force also intends to seek input from key regulators in Q2 2020.
8. The Task Force is working towards a target of an Exposure Draft for IESBA consideration and approval at its December 2020 meeting.

Matter for CAG Consideration

9. CAG Representatives are asked to:
 - (a) Consider the Task Force’s observations and preliminary views as set out in **Agenda Item F-1**; and
 - (b) Provide input on the Matters for CAG Consideration in **Agenda Item F-1**.

Material Presented

For Discussion

Agenda Item F-1 Issues and TF Preliminary Views

Agenda Item F-2 Strawman Draft

For Reference

IESBA Agenda Item 9-C [Additional Background Material](#)

Approved project proposal [Definitions of Listed Entity and Public Interest Entity](#)

Project History

Project: Definitions of Listed Entity and Public Interest Entity

Summary

	CAG Meeting	IESBA Meeting
Project commencement, including: <ul style="list-style-type: none">• Approval of project proposal	March 2020	December 2019