

Listed Entity and Public Interest Entity (PIE)

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Listed Entity and PIE Task Force (PIE TF) Chair

IAASB Meeting

June 13-17, 2022

Agenda

Monday, June 13th:

IAASB's feedback on draft ED: Proposed *Narrow Scope Amendments to ISA 700 (Revised) and ISA 260 (Revised) as a Result of the Revisions to the Code*

Thursday, June 16th:

Updated ED provided to IAASB

Friday, June 17th:

IAASB's final feedback and approval of the ED

June 2022 CAG Discussion

- Overall support for:
 - The draft proposed revisions included in the ED.
 - Providing further information about the alternative approach in the EM.
- Other points:
 - Explicitly requiring to communicate with TCWG about the differential independence requirements applied.
 - Describing or defining PIEs.
 - Addressing more stringent jurisdictional disclosure requirements in the illustrations.
 - Simplifying the EM to enhance the understandability of the proposals.

IAASB-IESBA Coordination

Ongoing Coordination and Collaboration with IESBA

- At Staff level
- Participation of IAASB and IESBA correspondent members in the respective Boards' Task Forces
- Discussion at IAASB and IESBA Plenary sessions
- Specific question in the ED for IESBA's consideration

June 2022 Feedback from IESBA

- Overall support for:
 - The draft proposed revisions to ISA 700 (Revised) in the ED that operationalize IESBA's transparency requirement.
 - Question for IESBA's consideration in the EM to inform on further action for the disclosure in the Practitioner's Report.
- Discussion for sharing with the IAASB: A member suggested as part of providing transparency about the independence requirements applied, to explain why the firm has voluntarily chosen to apply the differential independence requirements for PIEs to other entities. However, it was noted that in finalizing its proposals, IESBA's decision was to focus on disclosing the fact that the PIE independence requirements were applied, rather than the basis for applying the PIE independence requirements

Development of the EM and ED: Significant Matters

**Public Interest
Issues
Addressed**

**Proposed
Revisions to ISA
700 (Revised)
and ISA 260
(Revised)**

**International
Standards on
Review
Engagements
(ISRE)**

**Alternative
Approach to
Amending ISA
700 (Revised)**

**Exposure Draft
July 2022**

Comments due: October [...], 2022

International Standards on Auditing

Proposed Narrow Scope Amendments to:

- ISA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements*; and
- ISA 260 (Revised), *Communication with Those Charged With Governance*, as a Result of the Revisions to the IESBA Code that Require a Firm to Publicly Disclose When a Firm Has Applied the Independence Requirements for Public Interest Entities (PIEs)

Matters for the IAASB Consideration



Question 1

Does the IAASB continue to support the proposed approach to amend ISA 700 (Revised) and ISA 260 (Revised) as explained in paragraphs 19-25 of **Agenda Item 2-A**.

Matters for the IAASB Consideration



Question 2

The IAASB is asked for its views on the draft ED presented on pages 20–25 of **Agenda item 2-A**.

Matters for the IAASB Consideration



Supplemental Questions:

The IAASB is asked for its views on the:

- Explanation provided for IAASB's alternative approach presented in paragraphs 27-30 of **Agenda item 2-A**.
- Approach for considering whether to revise ISRE 2400 (Revised) presented in paragraphs 34-37 of **Agenda item 2-A**.

Way Forward

Ongoing Coordination and Collaboration with IESBA

Track 1:

- **July 2022:** Publish ED
- **June 2023:** Final Pronouncement

Track 2:

- **Q3 2022 - Q2 2023:** ED Development
- **Sep 2023:** Approval of ED
- **Sep 2024:** Final Pronouncement

IAASB

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