

IESBA Meeting Highlights and Decisions

November/December 2020

Contact: Ken Siong, IESBA Senior Technical Director (KenSiong@ethicsboard.org)

This summary of decisions of the International Ethics Standards Board for Accountants (IESBA) has been prepared for information purposes only. Except for documents approved for public exposure and issuance of final pronouncements, decisions reported on technical matters are tentative, reflect only the current status of discussions on projects, and may change after further deliberation by the IESBA.

In response to the [COVID-19 pandemic](#), the IESBA's November/ December 2020 meeting, which was scheduled to be held in person in New York, USA, was changed to a virtual one. An audio recording of the November/December 2020 meeting is available on the IESBA [website](#).

Non-Assurance Services

The IESBA unanimously approved revisions to the Non-Assurance Services (NAS) provisions of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the Code).

Subject to Public Interest Oversight Board (PIOB) approval, the final NAS pronouncement is expected to be released by late April 2021 and will be effective for audits of financial statements for periods beginning on or after December 15, 2022.

Fees

The IESBA approved revisions to the fee-related provisions of the Code.

Subject to PIOB approval, the final Fees pronouncement is expected to be released by late April 2021 and will be effective for audits of financial statements for periods beginning on or after December 15, 2022.

Definitions of Listed Entity and Public Interest Entity (PIE)

The IESBA approved for exposure proposed revisions to broaden the Code's definition of "public interest entity" (PIE) and to revise the definition of "listed entity." The proposals were developed in close coordination with the International Auditing and Assurance Standards Board (IAASB) within the established coordination framework of the two Boards.

The [Exposure Draft](#) (ED) was released on January 29, 2021 and will be open for public comment until May 3, 2021.

Technology

The IESBA considered the Task Force's recommendations and progressed its deliberations on proposed approaches to advance the seven identified recommendations within the approved [project proposal](#). During the session, the IESBA considered a "strawman draft" with potential revisions to the Code, and a high-level overview of the responses to the October 2020 [technology surveys](#) which sought stakeholder

input on topics addressed by two of the recommendations, namely technology and complexity in the professional environment, and the impact of technology on auditor independence.

The IESBA will continue its deliberations on its Technology work stream in March 2021.

Engagement Team–Group Audits

The IESBA continued its deliberations regarding potential revisions to: (a) align the Code's concept of an "engagement team" with the revised definition of the same term in the IAASB's [International Standard on Auditing \(ISA\) 220 \(Revised\)](#), *Quality Management for an Audit of Financial Statements*; and (b) clarify the meaning of the phrase "ethical requirements that are relevant to the group audit engagement, including those related to independence," a concept that is in both the extant ISA 600, *Special Considerations— Audits of Group Financial Statements (Including the Work of Component Auditors)*, and the IAASB's [ISA 600 Exposure Draft](#).

Among other matters, the IESBA considered Task Force proposals in relation to the two parts of the project, including a "strawman" of a proposed [new section 405](#), *Group Audits*. The IESBA took into account the relevant stakeholder feedback to the ISA 600 Exposure Draft and the ISA 600 Task Force's current thinking as presented in the IAASB's [December 2020 meeting](#) materials.

The IESBA will continue its deliberations at its March 2021 meeting.

Next Meeting

The IESBA's next virtual meeting will be held on March 15-17, 23 and 31, 2021.