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Mr K Siong,
Technical Director,
International Ethics Standard Board for Accountants,
529 Fifth Avenue, 6th Floor,
New York,
NY 10017,
USA.

Dear Mr Siong

Proposed Revisions to the Non-Assurance Provisions of the Code

Crowe Global is delighted to present a comment letter on the Exposure Draft *Proposed Revisions to the Non-Assurance Provisions of the Code*. Crowe Global is a leading global network of audit and advisory firms, with members in some 130 countries.

We agree with the approach that you are proposing to take and our responses to your request for specific comments are presented in the appendix to this letter. Overall, your proposals enhance the public interest, and, in some cases, already reflect the direction that national requirements have adopted in some countries. We have commented on your project to review the definition of a Public Interest Entity (PIE). There are PIEs whose characteristics are fundamentally those of a private company that has accessed the equity market because this might be the right source of funding. However, these companies have securities that are narrowly held and thinly traded. Such companies are very different in character from those with widely held and widely traded securities. A different treatment is appropriate and respects the character and profile of the company.

We trust that our comments assist the IESBA in progressing this project. We shall be pleased to discuss our comments further with you.

Kind regards

Yours sincerely

A handwritten signature in black ink, appearing to read "David Chitty".

David Chitty
International Accounting and Audit Director

Appendix – Response to Request for Specific Comments *Proposed Revisions to the Non-Assurance Provisions of the Code*

Question	Response
<i>Prohibition on NAS that Will Create a Self-review Threat for PIEs</i>	
Do you support the proposal to establish a self-review threat prohibition in proposed paragraph R600.14?	We agree with this proposal.
Does the proposed application material in 600.11 A2 set out clearly the thought process to be undertaken when considering whether the provision of a NAS to an audit client will create a self-review threat? If not, what other factors should be considered?	The proposed application material sets out clearly the self-review threat.
<i>Providing Advice and Recommendations</i>	
Is the proposed application material relating to providing advice and recommendations in proposed paragraph 600.12 A1, including with respect to tax advisory and tax planning in proposed paragraph 604.12 A2, sufficiently clear and appropriate, or is additional application material needed?	The proposed application material in proposed paragraphs 600.12.A1 and 604.12.A2 is sufficiently clear.
<i>Project on Definitions of Listed Entity and PIE</i>	
Having regard to the material in section I, D, “Project on Definitions of Listed Entity and PIE,” and the planned scope and approach set out in the approved project proposal, please share your views about what you believe the IESBA should consider in undertaking its project to review the definition of a PIE.	When undertaking the project to review the definition of a PIE, IESBA ought to consider the characteristics of a PIE, and particularly whether the issued securities are widely held and traded. A company might access the equity market to raise funds, but the securities might be thinly traded and narrowly held. This type of company retains much of the character of a privately held company and has a public interest profile very different from that of company with widely held and widely traded equity.
<i>Materiality</i>	
Do you support the IESBA’s proposals relating to materiality, including the proposal to withdraw the materiality qualifier in relation to certain NAS prohibitions for audit clients that are PIEs (see Section III, B “Materiality”)?	This proposal is reasonable and consistent with developments in national standards in some countries.
Do you support the proposal to prohibit the following NAS for all audit clients, irrespective of materiality: <ul style="list-style-type: none"> • Tax planning and tax advisory services provided to an audit client when the effectiveness of the tax 	These are reasonable proposals.

<p>advice is dependent on a particular accounting treatment or presentation and the audit team has doubt about the appropriateness of that treatment or presentation (see proposed paragraph R604.13)?</p> <ul style="list-style-type: none"> • Corporate finance services provided to an audit client when the effectiveness of such advice depends on a particular accounting treatment or presentation and the audit team has doubt about the appropriateness of that treatment or presentation (see proposed paragraph R610.6)? 	
<i>Communication with TCWG</i>	
<p>Do you support the proposals for improved firm communication with TCWG (see proposed paragraphs R600.18 to 600.19 A1), including the requirement to obtain concurrence from TCWG for the provision of a NAS to an audit client that is a PIE (see proposed paragraph R600.19)?</p>	<p>We agree with the proposal to improve communication with TWCG.</p>
<i>Other Proposed Revisions to General NAS Provisions</i>	
<p>Do you support the proposal to move the provisions relating to assuming management responsibility from Section 600 to Section 400, and from Section 950 to Section 900?</p>	<p>We agree with this proposal.</p>
<p>Do you support the proposal to elevate the extant application material relating to the provision of multiple NAS to the same audit client to a requirement (see proposed paragraph R600.10)? Is the related application material in paragraph 600.10 A1 helpful to implement the new requirement?</p>	<p>We agree with the proposal to elevate application material to a requirement. The related application material appears to be appropriate.</p>
<i>Proposed Revisions to Subsections</i>	
<p>Do you support the proposed revisions to subsections 601 to 610, including:</p> <ul style="list-style-type: none"> • The concluding paragraph relating to the provision of services that are “routine or mechanical” in proposed paragraph 601.4 A1? • The withdrawal of the exemption in extant paragraph R601.7 that permits firms and network firms to provide accounting and bookkeeping services for divisions 	<p>We agree with these proposed revisions.</p>

<p>and related entities of a PIE if certain conditions are met?</p> <ul style="list-style-type: none"> • The prohibition on the provision of a tax service or recommending a tax transaction if the service or transaction relates to marketing, planning or opining in favour of a tax treatment, and a significant purpose of the tax treatment or transaction is tax avoidance (see proposed paragraph R604.4)? • The new provisions relating to acting as a witness in subsection 607, including the new prohibition relating to acting as an expert witness in proposed paragraph R607.6? 	
<i>Proposed Consequential Amendments</i>	
Do you support the proposed consequential amendments to Section 950?	We agree with these proposed consequential amendments.
Are there any other sections of the Code that warrant a conforming change as a result of the NAS project?	We do not believe that conforming changes are warranted in other sections of the Code.