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*75 anos de regulamentação do Sistema CFC/CRCs – O orgulho de Pertencer*

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Letter n.º 365/2021 CFC-Direx

Brasília, Brazil, May 3, 2021

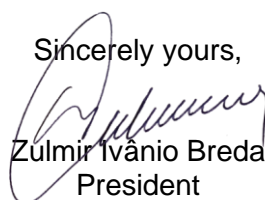
Mr. Ken Siong  
Senior Technical Director, International Ethics Standards Board for Accountants  
New York, New York – USA

**Subject: Proposed Revisions to the Definitions of Listed Entity and Public Interest Entity in the Code**

Dear Mr. Siong,

1. The Conselho Federal de Contabilidade – CFC (“we” or “CFC”) is the national body of the accounting profession in Brazil that sets Brazilian Accounting, Auditing and Ethics Standards. We also regulate, supervises the profession and promote continuing professional development.
2. We would like to thank you the IESBA for the initiative to the proposed revision of the definitions of Listed Entity in the Code.
3. We, generally, support all proposed changed to both definitions. We believe that the proposed change to Public Interest Entities will facilitate the consistence application of independence aspects though the audits, globally. We also support the approach given to the roles of local bodies and firms to include additional entities or PIE definitions, also leaving rooms for such bodies, after proper consultation with other stakeholders, remove certain entities that should not be included in such categories and this could be made with the support of non-authoritative guidance to be issued by the IESBA. Non-authoritative guidance can play a relevant role for certain jurisdictions or firms that does not available all the resources need to make a proper assessment of such aspects.
4. We, however, believe that a more precise objective of this project is to affect the independence aspects of the audit of an entity considered to be PIE and not to increase the confidence in the entity financial statements and related audit. This objective may generate confusion that an audit of a PIE generate/will generate more confidence due the high-quality aspects of such audit. This could give a wrong perception that audits performed for non-PIE are conducted with less quality, using a lower-level audit standard.
5. Additionally, we do believe that an audit report should not be a place to inform if a certain entity was or not classified as a public interest entity. Such disclosure could be, if defined by law or regulation, on the management commentaries, annual reports or any report on standability that could be issued by other standard boards.
6. We remain at your disposal should you want to discuss any aspect of this letter.

Sincerely yours,



Zulmir Ivãnio Breda  
President