

# STRENGTHENING INTERNATIONAL INDEPENDENCE STANDARDS

## Revised Non-Assurance Services and Fee-related Provisions

### CLEARER AND MORE ENFORCEABLE RESTRICTIONS



The April 2021 Non-Assurance Services (NAS) and Fees Pronouncements include significant revisions to the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the Code), especially in relation to audits of public interest entities (PIEs). These revisions apply to audits, reviews or assurance engagements firms might perform.

A far-reaching prohibition on the provision of a NAS that might create a self-review threat to an audit client that is a public interest entity (PIE).

Stricter prohibitions on certain types of NAS to audit clients (e.g., accounting and bookkeeping, tax planning and advisory, recruiting, corporate finance services).

Elimination of materiality as a factor in determining NAS permissibility for PIE audit clients.

Strengthened provisions to address undue fee dependency on audit clients.

New provisions to enable more robust engagement between firms and those charged with governance of PIE audit clients about independence matters relating to NAS and fees.

New provisions to stimulate greater public transparency about fees paid by PIE audit clients to assist stakeholder judgments about auditor independence.


### TOWARDS MORE TRANSPARENT COMMUNICATIONS



More emphasis on the general prohibition on assuming a management responsibility for an audit client.

Comprehensive guidance to steer auditors' threat assessments and actions in relation to NAS and fees.

### PACKED WITH MORE GUIDANCE TO DRIVE CONSISTENCY AND EFFECTIVE IMPLEMENTATION

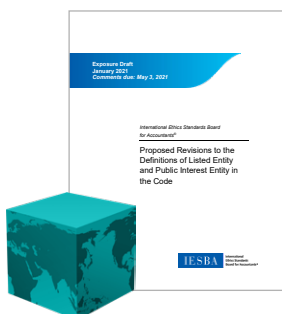


#### COMING SOON: A Revised Definition of a PIE

The IESBA is currently exploring revisions to the definition of a PIE and anticipates finalizing this project by end of 2021. In relation to the NAS and Fees projects, the IESBA's focus has been on establishing the principles (and requirements) that should apply to PIE audits (however defined) as compared to audits of non-PIEs.



EFFECTIVE DATE  
**DECEMBER 2022**



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