Draft Minutes of the 81st Meeting of the
INTERNATIONAL ETHICS STANDARDS BOARD FOR ACCOUNTANTS
Held on February 10, 2023 in Virtual Format

Voting Members
Present: Gabriela Figueiredo Dias (Chair)
         Laurie Endsley (Deputy Chair)
         Saadiya Adam
         Mark Babington
         Sanjiv Chaudhary
         Richard Huesken
         Sung-Nam Kim
         Rania Uwaydah Mardini
         Christelle Martin
         Andrew Mintzer
         Paul Muthaura
         Felicien Muvunyi
         Luigi Nisoli
         Jens Poll
         Channa Wijesinghe
         Yaoshu Wu

Apologies: Vania Borgerth
           David Clark (Mr. Huesken)
           Marta Kramerius (Mr. Nisoli)
           Ki-Tae Park (Mr. Kim)
           Kristen Wydell (Mr. Wijesinghe)

Technical Advisors
Keith Billing (Mr. Babington)
Jens Engelhardt (Prof. Poll)
Ellen Goria (Mr. Mintzer)
Andrew Pinkney (Ms. Endsley)
Kemisha Soni (Mr. Chaudhary)
Bruno Tesnière (Ms. Martin)
Chris Twagirimana (Mr. Muvunyi)
Masahiro Yamada (Ms. Borgerth)
Xiaoye Yuan (Ms. Wu)

Non-Voting Observers
Present: Gaylen Hansen, IESBA Consultative Advisory Group (CAG) Chair, and Jumpei Kato, Japanese Financial Services Agency (FSA)

Public Interest Oversight Board (PIOB) Observer
Present: Begona Giner

IESBA Staff
Present: James Gunn (Managing Director, Professional Standards), Ken Siong (Program and Senior Director), Geoffrey Kwan (Director), Laura Leal, Kam Leung, Szilvia Sramko, Carla Vijian, Jeanne Viljoen, Astu Tilahun, Diana Vasquez
1. **Opening Remarks**

**WELCOME AND INTRODUCTIONS**

Ms. Dias welcomed all participants and public observers to the first Board meeting of 2023. She highlighted that it was a special meeting because it was the first one following the launch of the International Foundation for Ethics and Audit (IFEA or the Foundation) on January 1, 2023. She celebrated the Foundation’s launch and indicated that more information will be available about the progress of the transition of the IESBA and International Auditing and Assurance Standards Board (IAASB) to the new structure and governance arrangements under the Monitoring Group reforms in the near future.

Ms. Dias then welcomed the two new Board Members from January 1, 2023:

- Ms. Rania Mardini (Lebanon), appointed non-practitioner
- Mr. Paul Muthaura (Kenya), appointed non-practitioner

Ms. Dias finally welcomed Ms. Sue Almond, IAASB Board Member and Chair of the IAASB’s Listed Entity and Public Interest Entity (PIE) Task Force, and Mr. Willie Botha, IAASB Program and Technical Manager.

2. **Rollout of “Definitions of Listed Entity and Public Interest Entity (PIE)” Revisions**

**SCOPE OF TRANSPARENCY REQUIREMENT**

Mr. Mintzer commenced the session by informing the Board that the IAASB has received 38 comment letters to its Exposure Draft, *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* (IAASB ED), which relates to Track 1 of the IAASB PIE project.

Mr. Mintzer noted that the purpose of the session was for the Board to consider whether the scope of the transparency requirement in paragraph R400.20 of the revisions to the definitions of listed entity and PIE and related provisions of the Code (IESBA PIE Revisions) should be revised to apply to audit engagements only and, therefore, exclude review engagements. He provided a brief summary of the two options for the Board’s consideration and explained the Working Group’s recommendation to maintain the scope of the transparency requirement to cover both audit and review engagements. He also outlined the Working Group’s rationale for why this option better serves the public interest.

Upon deliberation, IESBA members expressed support for the Working Group’s recommendation to make no changes to the scope of the transparency requirement. Amongst other matters, the following were noted:

- As jurisdictions are in the process of implementing the IESBA PIE Revisions, further changes could create confusion.
- It may be more appropriate to consider this issue as part of the post-implementation review of the IESBA PIE Revisions.

In light of the IESBA’s decision to leave the scope of the transparency requirement unchanged, Mr. Botha informed the Board that the IAASB’s discussion on revising ISRE 2400 to operationalize paragraph R400.20 of the IESBA PIE Revisions with respect to review engagements for PIEs will be deferred to Track 2 of the IAASB PIE Project.

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1 ISRE 2400 (Revised), *Engagements to Review Historical Financial Statements*
Regarding the Working Group’s proposal to add a question on public disclosure with respect to interim review engagements to the draft IESBA Staff Questions and Answers (Q&A) publication, the Board agreed that such a question should only be added if the response does not lead to an interpretation or extension of paragraph R400.20 of the IESBA PIE Revisions. The Board asked staff to circulate the additional draft Q&A for its consideration at the earliest opportunity.

TRACK 2 OF IAASB PIE PROJECT UPDATE

Mr. Botha provided a brief update on the IAASB’s deliberations at its December 2022 meeting regarding Track 2 of the IAASB’s PIE project.

Mr. Botha also informed the Board that due to other priorities, further work on Track 2 has been deferred to Q1 2024.

PIOB OBSERVER’S REMARKS

Ms. Giner noted that the Board’s decision to retain the scope of the transparency requirement serves the public interest. She complimented the two standard-setting boards’ efforts in coordinating their respective PIE projects.

WAY FORWARD

The IESBA will consider an update on Track 1 of the IAASB’s PIE project at its March 2023 meeting. The IAASB PIE Task Force will present the proposed revisions under Track 1 to the IAASB at its June 2023 meeting with a view to approval for exposure.

3. Closing Remarks

Ms. Dias thanked Ms. Giner for her remarks, adding that she is looking forward to receiving a positive response from the PIOB to the proposals discussed today.

Ms. Dias also thanked Mr. Mintzer and the Board for their contributions, as well as the Working Group and the IESBA staff for the meeting materials. She emphasized the importance of continuing to work closely with the IAASB, building meaningful bridges and making the most of the collaboration opportunities between the two Boards.

At Ms. Dias’s invitation, Mr. Gunn provided a brief update on the transition to the Foundation, funding of the two Boards, staff hiring and launch of the Foundation’s website. He noted that the Board will receive a fuller update at its next meeting.

Mr. Siong then provided a brief update on the logistics and anticipated activities during the March 2023 Board meeting in Abu Dhabi, UAE.

Finally, Ms. Dias closed the meeting.

4. Next Meeting

The next Board meeting is scheduled for March 13 – 17, 2023, to be held in person in Abu Dhabi, UAE.