Meeting: IESBA
Meeting Location: New York (Hybrid)
Meeting Date: June 6-8, 2022

Agenda Item 3

 PIE Rollout – Update and IAASB Coordination

Objectives of Agenda Item

1. To receive an update on the rollout activities to raise awareness and promote adoption and implementation of the IESBA’s revisions to the definitions of listed entity and public interest entity (PIE) in the Code (IESBA PIE revisions).

2. To provide feedback on the draft IESBA Staff PIE Questions and Answers (Q&A) publication.

3. To receive an update on the International Auditing and Assurance Standards Board’s (IAASB) project on listed entity and PIE, and to provide feedback on relevant components of the draft IAASB Exposure Draft, Proposed Narrow Scope Amendments to ISA 700 (Revised) and ISA 260 (Revised) as a Result of the Revisions to the IESBA Code that Require a Firm to Publicly Disclose When a Firm Has Applied the Independence Requirements for Public Interest Entities (IAASB PIE ED).

Activities Since Last IESBA Discussion

4. In March 2022, the IESBA PIE Rollout Working Group was established to oversee the PIE rollout activities. The Working Group consists of:
   - Andrew Mintzer, Chair, IESBA Member
   - Richard Huesken, IESBA Member
   - Sung-Nam Kim, IESBA Member
   - Felicien Muvunyi, IESBA Member
   - Luigi Nisoli, IESBA Member
   - Yaoshu Wu, IESBA Member

5. At its March 2022 meeting, the IAASB approved a project proposal to undertake a narrow scope maintenance of standards project on listed entity and PIE. The project proposal set out the IAASB’s actions to respond to the IESBA PIE revisions. Mr. Kim joined the IAASB PIE Task Force as the IESBA correspondent member and provides feedback to the Task Force’s discussions and draft revisions to the relevant IAASB standards from an IESBA perspective.

6. In April 2022, the IESBA released the Final Pronouncement: Revisions to the Definitions of Listed Entity and Public Interest in the Code (PIE Final Pronouncement), following approval by the Public Interest Oversight Board (PIOB), along with the staff-prepared Basis for Conclusions.

7. The Working Group met virtually in Q2 to develop the agenda materials for this meeting.
Rollout Activities Update

8. The Working Group agreed that the focus of the PIE rollout activities should be on relevant local bodies that are responsible for setting ethics standards for professional accountants. These local bodies play an important role in ensuring the right entities are scoped in as PIEs at the local level, given the high-level nature of the mandatory PIE categories set out in paragraph R400.17(a)-(c) of the PIE pronouncement.

9. The Working Group is also of the view that:
   - Different regions and jurisdictions are likely to have different key adoption issues that may be best addressed through additional local outreach.
   - It would be helpful to many national standard setters (NSS) if there is a forum for them to share views on their challenges and learnings. In this regard, it would be particularly useful if those NSS that have already revised their local PIE definitions have the opportunity to share their experiences.

10. Against this background, the Working Group has identified a number of key rollout activities to be carried out by end of 2022:

<table>
<thead>
<tr>
<th>Rollout Activity</th>
<th>Anticipated timeline</th>
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<tbody>
<tr>
<td>Global webinar</td>
<td>Completed May 24, 2022</td>
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<tr>
<td>Infographic</td>
<td>June 2022</td>
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<tr>
<td>Short videos</td>
<td>June – August 2022</td>
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<tr>
<td>Q&amp;A</td>
<td>July/August 2022</td>
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<td>Updated jurisdictional PIE definitions database</td>
<td>September 2022</td>
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<td>Regional and other local outreach, including potential NSS panel/roundtable discussion</td>
<td>July – December, 2022</td>
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11. The Working Group Chair will provide an update on the PIE rollout activities at the June 2022 IESBA meeting.

Next Steps

12. The Board’s feedback to the draft IAASB PIE ED will be provided to the IAASB for its consideration as it discusses its draft ED during the June 2022 IAASB meeting.

13. The Working Group will revise the draft Q&As, taking into account feedback from the Board and questions raised during the global webinar held on May 24, 2022.

Action Requested

14. IESBA members are asked to:
(a) Note the rollout update from the Working Group Chair; and

(b) Provide feedback on the draft Q&As and the matters for consideration with respect to the draft IAASB PIE ED as set out in Agenda Items 3-A and 3-B.

Material Presented

For Discussion

Agenda Item 3-A  Draft Q&As – PIE Final Pronouncement
Agenda Item 3-B  Draft IAASB PIE Exposure Draft Update