

Meeting: IESBA

Meeting Location: New York (Hybrid)

Meeting Date: March 14-16, 2022

Agenda Item

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PIE Rollout Initiative

Objectives of Agenda Item

1. To share views on 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 (PIE revisions).

Working Group

2. The IESBA Chair will confirm the composition of the PIE Rollout Working Group at the March 2022 IESBA meeting.

Background

3. At its November-December 2021 meeting, the IESBA approved the revisions to the definitions of listed entity and PIE in the Code. Subject to PIOB approval in April 2022, the final pronouncement together with the staff-prepared basis for conclusions are due to be released shortly thereafter.
4. As highlighted in the PIE Task Force's full analysis of the significant comments to the [exposure draft](#) (ED), respondents were generally supportive of an IESBA outreach and education initiative to support adoption and implementation of the final provisions in local jurisdictions.
5. Throughout its deliberations of the PIE revisions, the Board expressed support for, and acknowledged the importance of, appropriate rollout activities to assist local bodies in their adoption and implementation efforts. This is especially so given the Board's approach of expanding the PIE definition to a list of mandatory PIE categories that require local body refinement.
6. At its November-December 2021 meeting, the Board agreed to establish a Working Group in Q1 2022 to oversee the rollout initiative and spearhead the activities to promote awareness of the PIE pronouncement and support its widespread adoption and effective implementation.

Input Received to Date

7. In response to a question in the ED about the nature of an outreach and support program, respondents have suggested a range of activities, including:
 - Additional guidance material such as practical examples, scenarios and case studies.
 - Having a standing item at the National Standard-Setters meetings to track the implementation of the PIE revisions and to foster discussion about challenges and sharing of best practices.
 - Roundtables with regional bodies having a similar environment to share experience on implementation and examples of additional PIE categories.

- Formation of a working group to facilitate communication of implementation challenges and resolutions.
 - Timely translation of authoritative and non-authoritative material (NAM).
8. The IESBA also agreed to undertake a post-implementation review (PIR) to assess the effectiveness of the PIE revisions. This PIR may not commence until nearer the end of the next strategy period 2023-2027 at the earliest given the effective date of December 2024 for the revisions.¹ It will also need to take into account the PIRs for both the [Non-Assurance Services \(NAS\)](#) and [Fees](#) revisions given the relevance of the PIE concept to the NAS and Fees provisions.
9. In February 2022, the PIE Task Force met to exchange views on how to effectively support stakeholders, particularly those local bodies that are responsible for adopting and implementing the PIE revisions. There was consensus amongst the Task Force members that the Board should be more targeted in its approach to the PIE revisions than its approach to other revisions to the Code. Task Force members expressed the view that in addition to activities such as webinars and the commissioning of frequently asked questions (FAQs) that are aimed broadly at all stakeholders, the IESBA should consider undertaking rollout activities that more specifically addressed to the issues that are contextual to different regions, jurisdictions and stakeholder groups.

Next Steps

10. The PIE Rollout Working Group will meet in March 2022 to discuss the approach, timeline and types of rollout activities and deliverables for the PIE revisions, taking into account input received to date, including feedback from the Board at the March 2022 meeting.
11. The PIE Rollout Working Group will work closely with the NAS and Fees Rollout Working Group so stakeholders can better understand the holistic impact of the enhancements to the Code from these three projects.
12. The PIE Rollout Working Group will also be involved in the coordination with the International Accounting and Auditing Standards Board (IAASB) on this topic. In this regard, the IAASB will discuss key issues identified by its PIE Working Group (including whether the transparency requirement in the PIE revisions should be addressed through the auditor's report) with a view to approving the Working Group's project proposal at its [March 2022 meeting](#). Subject to the IAASB's approval of its project, a PIE Rollout Working Group member will join the IAASB PIE Task Force as an IESBA correspondent member. Any matters that require the IESBA's input or consideration will be brought to the IESBA's attention.

Action Requested

13. IESBA members are asked to share views on the approach, potential outreach and other rollout activities that will effectively promote adoption and implementation of the PIE revisions.

¹ The PIE revisions are effective for audits of financial statements for periods beginning on or after December 15, 2024.