

Draft Minutes of the 75th Meeting of the

INTERNATIONAL ETHICS STANDARDS BOARD FOR ACCOUNTANTS

Held Virtually on November 30-December 3, 8 & 16, ~~2022-2021~~ via Video Conference

Voting Members

Present: Stavros Thomadakis (Chairman)
 Caroline Lee (Deputy Chair)
 Saadiya Adam (Days 1-5)
 Michael Ashley
 Vania Borgerth
 Sanjiv Chaudhary (Days 1, 5-6)
 Laurie Endsley
 Brian Friedrich
 Hironori Fukukawa
 Kim Gibson (Days 1-5)
 Liesbet Haustermans
 Richard Huesken
 Sung-Nam Kim
 Winifred Kiryabwire
 Ian McPhee
 Andrew Mintzer
 Jens Poll
 Yaoshu Wu

Technical Advisors

James Barbour (Mr. Ashley)
 David Clark (Mr. Huesken)
 Gregory Driscoll (Ms. Lee)
 Jens Engelhardt (Mr. Poll)
 Laura Friedrich (Mr. Friedrich)
 Ellen Gorla (Mr. Mintzer)
 Marta Kramerius (Ms. Haustermans)
 Gina Maldonado-Rodek (Ms. Gibson)
 Ki-Tae Park (Mr. Kim)
 Andrew Pinkney (Ms. Endsley) (Days 2-6)
 Kemisha Soni (Mr. Chaudhary) (Day 5)
 Sundeep Takwani (Ms. Kiryabwire)
 Jeanne Viljoen (Ms. Adam) (Days 1-5)
 Kristen Wydell (Mr. McPhee)
 Masahiro Yamada (Mr. Fukukawa)
 Xiaoye Yuan (Ms. Wu)

Non-Voting Observers

Present: Gaylen Hansen, IESBA Consultative Advisory Groups (CAG) Chair, and Jumpei Kato, Japanese Financial Services Agency (FSA)

Public Interest Oversight Board (PIOB) Observer

Present: Begoña Giner

IESBA Staff

Present: James Gunn (Managing Director, Professional Standards), Ken Siong (Program and Senior Technical Director), Diane Jules (Director), Geoffrey Kwan, Kam Leung, Szilvia Sramko, Carla Vijian, Astu Tilahun, Diana Vasquez

1. Opening Remarks

WELCOME AND INTRODUCTIONS

Dr. Thomadakis welcomed all participants and public observers to the first in-person IESBA meeting since December 2020 and the first IESBA hybrid meeting. He gave a special welcome to Ms. Gabriela Figueiredo Dias, incoming IESBA Chair, whom he noted will observe the meeting and whom he invited to share a brief introduction.

Dr. Thomadakis also welcomed Ms. Sylvie Soulier, Chair of the Engagement Team-Group Audits Independence (ET-GA) Task Force; Ms. Denise Canavan, member of the ET-GA Task Force; Mr. Richard Fleck, Chair of the Long Association Post-Implementation Review (LAPIR) Working Group and member of the Benchmarking Working Group; and Mr. Peter Oastler, external expert on the Benchmarking Working Group. In addition, he welcomed Mr. Willie Botha, the International Auditing and Assurance Standards Board's (IAASB) Program and Technical Director; Natalie Klonaridis, ~~IESBA~~-IAASB Director; and Kalina Savovska, IAASB Senior Manager for the PIE session.

Dr. Thomadakis highlighted that this will be his last meeting as Chair of the Board and expressed his gratitude for the opportunity to meet with some of the Board members in person. He also thanked the Board members who were attending the meeting virtually and conveyed his wish for a seamless meeting.

Among other matters, Dr. Thomadakis highlighted the following in his introductory briefing to the Board:

- Chair and Board member rotations, re-appointments and new appointments.
- The activities of the Planning Committee during the quarter, which included updates on the status of the various workstreams on the Board's agenda; the forward work plan for 2022 and planning for the development of the Strategy & Work Plan (SWP) 2024-2027; consideration of the PIOB's updated list of public interest issues as of November 2021; and a discussion of Task Force and Working Group compositions in the light of Board member rotations at the end of the year.
- Outreach activities since the September 2021 IESBA meeting.

APPROVAL OF MINUTES

The IESBA approved the minutes of the September 2021 public session as amended.

2. Definitions of Listed Entity & Public Interest Entity

Mr. Ashley provided an overview of the key comments raised by the Board and CAG in September 2021 as well as those raised by the IAASB, PIOB and some key stakeholders, including the International Organization of Securities Commissions (IOSCO) in Q4 2021. He then explained the Task Force's responses which, among other matters, included the following:

- No change to the overall framework for, and approach to, developing the public interest entity (PIE) definition or the overarching objective described in proposed paragraphs 400.8 to 400.10.
- No revision to the definition of the proposed term "publicly traded entity" (PTE) set out in the Glossary.
- No revision to the remaining list of proposed mandatory PIE categories set out in paragraph R400.17. The Task Force, however, proposed a package of actions for the Board to pursue to address concerns raised by the PIOB regarding the Task Force's proposal not to include post-employment benefits (PEBs) or collective investment vehicles (CIVs) in the list of mandatory categories. These actions include:

- Strengthening the message in the proposed application material in paragraph 400.18 A2 to the effect that the Code anticipates that local bodies will add categories of PIEs to their local definitions, taking into account the guidance in the Code; and additionally, including examples of categories that could be added by the local bodies.
- Providing adoption and implementation support to local bodies through the IESBA's PIE roll-out program.
- Conducting a post-implementation review (PIR) in due course as well as undertaking a holistic review of PEBs and CIVs, including the definition of "related entity" in the Code.
- Considering the need for further actions following the above reviews.
- Revising proposed paragraph 400.19 A1 to clarify that a firm's determination to treat other entities as PIEs is only for the purposes of Part 4A of the Code.
- With regards to the transparency requirement:
 - Clarifying in proposed paragraph R400.20 that the disclosure should be done "in a manner deemed appropriate taking into account the timing and accessibility of the information to stakeholders."
 - Allowing for an exception to the public disclosure requirement under proposed paragraph R400.21 if the disclosure will result in disclosing confidential future plans of the entity.

The Board broadly supported the Task Force's proposals, including not ~~including-keeping~~ PEBs and CIVs in the mandatory list. Among other matters, IESBA members raised the following:

- Regarding the definition of a PTE, it would be helpful, whether in Staff Frequently Asked Questions (FAQs) or other non-authoritative material, to:
 - Provide examples of publicly accessible market mechanisms other than listing on a stock exchange.
 - Explain that in some jurisdictions, there may be entities that are listed but which are not traded, and these are not PTEs as defined under the Code.
 - Clarify whether there is a publicly accessible market mechanism when an entity issues debt and that debt is purchased by an institutional investor through an intermediary such as a broker as opposed to an open market.
 - In the context of closed-end funds, clarify whether an entity's financial instruments should be assumed to be publicly traded if they are transferable.
- It should be made clear in the Basis for Conclusions or non-authoritative guidance that if a jurisdiction takes no action regarding the IESBA's PIE definition, the Code will still apply and the jurisdiction should not conclude that nothing should be added to the local PIE definition.
- Consideration should be given to explaining in the Basis for Conclusions the nature of the guidance in paragraph 400.18 A2 that sets an expectation for relevant local bodies to add categories of PIEs to their local definition, given that the Code sets obligations for professional accountants (PAs) and not professional accountancy organizations (PAOs) or other relevant bodies.

An IESBA member suggested considering extending the exception to the transparency requirement to the requirement for public disclosure of fees in the revised fee-related provisions if doing so would lead to

disclosure of the confidential future plans of the entity. Mr. Ashley responded that public disclosure of fees is an integral part of applying the PIE requirements of the Code, and that if a firm cannot publicly disclose fees for confidentiality reasons, then it cannot treat the entity as a PIE. He added that the exception only becomes relevant if the firm has made the prior determination to treat the entity as a PIE. The Board asked ~~that~~ Staff to consider explaining the matter in FAQs.

PIOB OBSERVER'S REMARKS

Ms. Giner commended the Board on its efforts to expand the PIE definition to include more categories of PIEs. She noted that having considered the Task Force's rationale, including its high-level analysis of PIE definitions by jurisdictions, the PIOB agreed that it is reasonable not to include PEBs and CIVs in the "top-down" list of mandatory PIEs but to allow the relevant local bodies to add these two categories to their "bottom-up" list as they might deem appropriate. Ms. Giner also noted that the PIOB supports the holistic review of CIVs and pension funds and urged the Board to consider commencing the review within the next two years without waiting for the completion of the PIR.

DUE PROCESS

Mr. Siong advised the Board that up to and including this meeting, the Board had adhered to its stated due process in revising the definitions of listed entity and PIE and related provisions in the Code.

Mr. Ashley confirmed that all significant issues discussed by the Task Force had been brought to the Board's attention and that the Task Force did not believe there was a need for further consultation on, or field testing of, the proposals.

The IESBA members did not consider that there were matters raised by respondents to the exposure draft, in addition to those summarized and reported by the Task Force, that should be discussed by the Board.

APPROVAL OF FINAL PRONOUNCEMENT

After agreeing the necessary changes to the document, the IESBA unanimously approved, with the affirmative votes of 17 out of the 17 IESBA members present, the final revisions to the PIE-related provisions of the Code.

CONSIDERATION OF THE NEED FOR RE-EXPOSURE

The IESBA assessed whether there was a need to re-expose the approved text. The IESBA agreed that the changes made to the ED were in response to the comments received from respondents and did not represent substantial changes to the ED. Therefore, the IESBA determined that re-exposure was not necessary.

EFFECTIVE DATE

The IESBA set the effective date for the final provisions to be for audits of financial statements for periods beginning on or after December 15, 2024. Early adoption will be permitted.

WAY FORWARD

Subject to PIOB approval of the revised PIE provisions, the Board agreed to establish a rollout working group in March 2022 to support the adoption and implementation of the provisions. This working group will also engage in coordination activities on the IAASB's narrow scope amendments project that the IAASB

will consider approving in Q1 2022 as a result of the finalization of the revised PIE provisions in the Code. Among other matters, the IAASB project will determine whether and, if so, how to operationalize in the IAASB standards the public disclosure requirement in the Code about a firm's application of the PIE independence requirements.

3. Quality Management (QM)-related Conforming Amendments

Ms. Haustermans introduced the session by recapping the Task Force's key proposed revisions in response to (a) respondents' comments on the Exposure Draft (ED) [Quality Management-related Conforming Amendments to the Code](#), and (b) the recent coordination efforts with IAASB representatives in finalizing the proposed conforming amendments to the Code.

CONFORMING AMENDMENTS

During the session, Ms. Haustermans presented a summary of the significant comments to the ED. In doing so, she explained the Task Force's responses and the rationale for its main proposed changes to the text, highlighting substantive matters for the Board's consideration. In addition to a few editorial matters, the following were raised by IESBA participants:

Paragraph 320.3 A4 – Policies and Procedures

- Regarding paragraph 320.3 A4 in the context of client and engagement acceptance, an IESBA member noted that the wording "*whether the firm has implemented*" would suggest that the firm would immediately be precluded from accepting the client or engagement if it had not implemented the policies and procedures, which could adversely impact small and medium practices from a scalability perspective.

After deliberation, the Board agreed to replace the phrase "*whether the firm has implemented*" with "policies and procedures that the firm has implemented, as part of a system of quality management...."

Service Providers

- The ED proposed to conform extant paragraph 400.4 in Part 4A of the Code to ISQM 1¹ by amending the references to ISQC 1 to the relevant terms and concepts used in ISQM 1. This included making a reference in paragraphs 400.4 and 900.3 to "service providers" as being subject to independence requirements.

The IESBA was briefed on respondents' comments regarding the reference to the concept of "service providers," which is not defined in the extant Code.

Ms. Giner noted that this concept applies to other engagements in addition to group audits. She recommended that the Board not remove the reference to service provider in paragraphs 400.4 and 900.3. Ms. Haustermans explained that the concept of service provider is being addressed under the ET-GA project as individuals considered to be part of the engagement team include service providers. She added that there is a slight timing difference between finalizing these conforming amendments

¹ International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*

to the Code and finalizing the revisions to the Code from the ET-GA project. Mr. Siong indicated that the Basis for Conclusions for the QM-related conforming amendments would clarify the matter.

The Board agreed to delete the phrase in brackets in paragraphs 400.4 and 900.3 referring to service providers. The ET-GA project will instead introduce the term in the Code in the context of developing independence provisions for a group audit, aligned to ISA 600 (Revised).²

DUE PROCESS

Mr. Siong advised the IESBA that up to and including this meeting, the IESBA had adhered to its stated due process in finalizing the conforming amendments. Ms. Haustermans confirmed that all significant issues discussed by the Task Force had been brought to the IESBA's attention. The Task Force did not believe there was a need for further consultation on the proposals or field testing. The IESBA members did not consider that there were matters raised by respondents to the ED, in addition to those summarized and reported by the Task Force, that the Board should discuss.

APPROVAL OF FINAL PRONOUNCEMENT

After agreeing the necessary changes to the document, the IESBA unanimously approved, with the affirmative votes of 17 out of the 17 IESBA members present, the conforming amendments to the Code arising from the finalization of the IAASB's Quality Management Standards.

CONSIDERATION OF THE NEED FOR RE-EXPOSURE

The IESBA assessed whether there was a need to re-expose the approved text. The IESBA agreed that the changes made to the ED were in response to the comments received from respondents and did not represent substantial changes to the ED. Therefore, the IESBA determined that re-exposure was not necessary.

EFFECTIVE DATE

The IESBA set the effective date of the final provisions to be effective as of December 15, 2022 to align with the effective date of ISQM 1.

4. Technology Fact Finding and Thought Leadership

The IESBA received an update on the Technology Working Group's Q4 2021 activities related to fact finding in a number of technology areas, and the development of technology-related thought leadership and other ethics and independence resources. In particular, the IESBA was briefed on the Working Group's efforts to set up an external Technology Advisory Group (IESBA TAG),³ comprising individuals with expertise and practical experience in technology to support and provide input to the Working Group.

An IESBA member questioned whether the IESBA TAG would provide input to inform the development of proposed revisions to the Code (i.e., the work of the Technology Task Force). Mr. Friedrich advised that the IESBA TAG will act as a sounding board to the Working Group, especially in relation to fact finding.

² ISA 600, *Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)*

³ The TAG, as referred to in the September and December IESBA 2021 agenda papers, has been renamed the "Technology Experts Group" in the IESBA March 2022 agenda paper. The new name "Technology Experts Group" is intended to avoid duplication and potential confusion with the existing IFAC Technology Advisory Group. The new name will also better reflect the nature and objective of the new group (i.e., to provide subject matter expertise/ act as a sounding board to the Working Group).

Consistent with the approach taken in the development of the Exposure Draft: [Proposed Technology-related Revisions to the Code](#), the Working Group will continue to provide relevant insights and observations to the Technology Task Force, including any relevant perspectives that are put forward by the TAG. Mr. Friedrich added that how the IESBA TAG will be used after the finalization of the Working Group's report in September 2022 will be for the Board to decide in due course.

WAY FORWARD

The IESBA will receive a further update on this workstream at the June 2022 meeting.

5. Engagement Team – Group Audits Independence

Ms. Soulier, Chair of the Task Force, introduced the topic, outlining the objectives of the agenda item to be covered over three sessions during the meeting. She briefed the Board on the Task Force's coordination efforts with IAASB representatives since September 2021 in relation to the IAASB's project to revise ISA 600.⁴ During the meeting, Ms. Soulier also reminded the Board that the Task Force's work was dependent on the finalization of the ISA 600 Task Force's work.

ENGAGEMENT TEAM, AUDIT TEAM, ASSURANCE TEAM AND REVIEW TEAM

Ms. Soulier reminded the Board that ~~it had agreed~~ at the [June 2021](#) meeting ~~it had agreed~~ to the explanatory paragraphs attached to the revised definition of "engagement team" (ET) in the Glossary. She also recapped the Board's agreement to the revised definitions of the terms "audit team," "assurance team" and "review team." The Task Force had also considered the feedback from Board members in proposing the final refinements to the application material in paragraphs 400.A – 400.D that provides further explanatory guidance regarding the concepts of engagement team and audit team. She reminded the Board that the definition of ET as revised aligns with the definition of the term in ISA 220 (Revised).⁵

The Board raised no further comments.

AUDIT TEAM FOR THE GROUP AUDIT

An IESBA member expressed a concern that while the definition of the proposed new term "audit team for the group audit" includes individuals within or engaged by the group auditor firm (GAF) who can directly influence the outcome of the group audit, it did not cover any individuals (such as those who provide technical consultations) within a non-network component auditor firm (CAF) who can exert such influence. It was also noted that if subparagraph (b) of the definition ("all others ... engaged by the GAF") was intended to be broad and include these individuals, subparagraph (c) ("all individuals within a network firm who can directly influence the outcome of the group audit") would be redundant.

After further deliberation, the Board agreed to add a fourth subparagraph to the definition to explicitly include any individual within a non-network CAF who can directly influence the outcome of the group audit.

COMPONENT AUDIT CLIENT

Regarding the proposed definition of "component audit client" (CAC), an IESBA member questioned why, in the case of a business unit, function or business activity, the definition included only the legal entity or entities to which the business unit belongs or in which the function or business activity is being performed,

⁴ ISA 600, *Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)*

⁵ ISA 220 (Revised), *Quality Management for an Audit of Financial Statements*

and not also any controlled related entities of that legal entity or entities. Ms. Soulier explained the Task Force's view that the approach proposed would be appropriate because, in practice, control or management of the business unit, function or business activity will rest within the legal entity or entities. She added that such an approach would also be more balanced and proportionate because audits of CACs vary widely from full-scope audits to limited scope audits of specific line items only. Further, the Task Force felt that enlarging the definition to capture controlled related entities could inadvertently lead to more prohibitions on non-network CAFs, increasing the likelihood of the audit of the CAC being limited to network firms only. The Task Force was therefore of the view that controlled related entities would be better addressed through the application of the conceptual framework (CF), taking into account the particular facts and circumstances.

After further deliberation, the Board agreed with the Task Force's proposal but asked that the matter be explained in the explanatory memorandum (EM) to the Exposure Draft (ED) and that respondents' views on the proposed definition be sought.

PROPOSED SECTION 405

Following the [September 2021](#) Board meeting, Ms. Soulier presented a revised draft of Section 405, amended to reflect:

- Further refinements addressing independence considerations regarding non-network CAFs; and
- The approach to the provisions dealing with a breach of independence at the CAF level, including communication with those charged with governance (TCWG) of the GAC.

Ms. Soulier also presented final proposals regarding consequential and conforming amendments to various sections of the Code to align with the IAASB's recently finalized suite of quality management standards and the proposed ISA 600 (Revised).

In addition to editorial suggestions and matters of clarification, the following were raised:

Financial Interests

Regarding the prohibition in proposed paragraph R405.6(b) on a non-network CAF from holding a direct or material indirect financial interest in the entity on whose group financial statements the group auditor firm expresses an opinion ("parent entity"), an IESBA member questioned whether the prohibition was unduly narrow in scope as it did not include other entities within the group such as an intermediate holding entity.

The Board deliberated the matter and agreed that the greatest threat ~~lies-arises~~ with respect to the parent entity. The Board generally came to the view that it may be disproportionate and potentially might unduly limit the supply of firms able to act as CAFs if the financial interest prohibition were to be strictly applied with respect to all other entities within the group. In those other cases, the Board's general view was that the application of the CF as specified in proposed paragraph R405.7 would provide the appropriate approach to dealing with the threats given the particular facts and circumstances.

The Board asked that the matter be explained in the EM and that stakeholders' views be sought on the approach proposed.

Loans and Guarantees

An IESBA member wondered whether other specific interests or relationships should be prohibited explicitly for non-network CAFs. In particular, the IESBA member felt that because loan and guarantee relationships

are a source of significant threats, it would not be in the public interest to limit a prohibition on a Section 511⁶ loan or guarantee relationship only to the parent entity. It was argued that such a prohibition should also apply with respect to other entities within the group, especially an intermediate holding entity given the element of control.

The Board deliberated the matter extensively and came to the general view that the public interest would be better served and the objective of setting proportionate standards better met if the prohibitions in Section 511 were to apply only with respect to the parent entity and not be extended to an intermediate holding entity that controls the CAC or any other entities controlled by the parent entity. IESBA members generally were concerned that going down the prescriptive path of extending the prohibition to other entities within the group could inadvertently lead to a further limitation on the pool of non-network firms that could act as CAFs. It was felt that this could lead to increased audit market concentration and potential adverse consequences for audit quality. In particular, there was a concern that a strict approach to prohibitions could result in a higher cost for business if CACs have to engage two firms, one for statutory audit services and another for purposes of the group audit. As a result, there would be a likelihood that CAFs would be engaged for both services, thereby adversely impacting small and medium practices (SMPs) that often provide statutory audit services.

After further deliberation, the Board generally agreed that a prohibition on Section 511 loan and guarantee relationships apply only with respect to the parent entity. For loans and guarantees between the non-network CAF and an intermediate holding entity or any other related entities of the parent entity, the IESBA agreed that the CF should apply, having regard to the particular facts and circumstances.

Given the significance of the matter, the Board asked that this matter be highlighted and clearly explained in the EM and that stakeholders' views be solicited on its proposal.

PROPOSED EFFECTIVE DATE

Subject to the final approval of ISA 600 (Revised) at the December 2021 IAASB meeting, the Board agreed to propose that the effective date of the ET-GA provisions be aligned with that of ISA 600 (Revised), i.e., effective for audit of financial statements for periods beginning or after December 15, 2023.

PIOB OBSERVER'S REMARKS

Ms. Giner commended the Task Force on its work in developing the proposals. She welcomed the robust discussion on the issues, noting the public interest importance of having clarity regarding the independence expectations in a group audit. She noted the importance of having clear communication between the GAF and CAF when there is a breach of independence at the CAF. She added that it would be important to articulate the rationale for the various principles in the EM. On the matter of loans and guarantees, she noted that she would have preferred a clear prohibition with respect to intermediate holding entities. However, she indicated that she accepted the Board's position of going with the CF approach, provided the matter was highlighted and explained in the EM.

Finally, Ms. Giner encouraged the Board to consider a separate workstream on the independence of external experts in the future. She noted the PIOB's view that the roles of these individuals will be highly relevant in the corporate reporting supply chain as the sustainability and ESG reporting agendas continue to evolve rapidly.

⁶ Section 511, *Loans and Guarantees*

APPROVAL OF EXPOSURE DRAFT

After duly considering all the necessary refinements to the proposed text, the Board approved it for exposure with 15 affirmative votes out of the 16 Board members present.

Mr. Ashley did not support the exposure draft. He commented that the philosophy underlying the Code is principles-based, but in relation to independence it has some clear prohibitions where the Board has concluded that threats cannot be reduced to an acceptable level. He noted that Sections 510⁷ (specifically paragraph R510.6) and 511 are two specific sections that contain such prohibitions.

Regarding the involvement of non-network CAFs in the group audit, while he agreed with the prohibitions on financial interests in, and loan and guarantee relationships with, the parent entity, he did not see why the threats would be any different in relation to other controlled entities within the group. He therefore felt that in principle, these should also be prohibited rather than considered under the CF approach in paragraph R405.7. He noted that if the view was that such consideration would almost invariably lead to the same conclusion, this should be made clear through a prohibition. He disagreed with the view that safeguards could be identified and applied under the CF as he felt that such an approach would be equally relevant to such relationships with the parent entity.

Regarding the concerns about the need for proportionality and the impact on the availability of CAFs, Mr. Ashley felt that those concerns were over-estimated. He noted that these prohibitions are applied only to the non-network CAF and so, there should be no difficulty in identifying the financial interest, loan or guarantee relationships to which any such prohibition might apply. He added that to the extent that firms require finance, this would almost invariably be obtained from banks on normal commercial terms. He also felt that it would be rare for firms to have surplus funds which they would invest in equities, loans, etc., of other companies. He therefore was of the view that the underlying “prohibited-type” relationships between a firm and any entity would be rare. Accordingly, he believes those relationships between a firm and an entity within a group for which it acts as a CAF would be even rarer, to the point of calling into question the motivations for such a relationship.

In conclusion, he believes that the Board’s starting point should be one that clearly follows the general principles of the Code. For the reasons he articulated, he did not believe the Board has proposed an approach that does so.

ED COMMENT PERIOD

The Board set a comment period of 90 days from the date of issuance of the ED. In relation to the development of the EM, the Board asked the Task Force to liaise with IAASB representatives with respect to the discussion of the overlapping issues and the formulation of specific questions to stakeholders.

6. Strategy and Work Plan (SWP)

Dr. Thomadakis introduced the session, noting this is the beginning step in the Board developing its next SWP. He added that before considering what the Board’s future strategic commitments might be, it is necessary to review the work plan for 2022-2023 as there are still two more years within the current strategy period.

⁷ Section 510, *Financial Interests*

WORK PLAN 2022-2023

Mr. Siong presented a tentative IESBA work plan for 2022-2023. Among other matters, Board participants raised the following:

- Whether resources should be allocated to support comprehensive adoption and implementation of the important recent revisions to the Code.
- What the Emerging Issues and Outreach Committee's (EIOC) role will be with regard to the Environmental, Social and Governance (ESG) topic and whether that area will be sufficiently prioritized, especially given the recent formation of the International Sustainability Standards Board (ISSB). It was also noted that in the EU, regulation is being developed to enable providers other than PAs to undertake assurance work on ESG information.
- A concern that the topic of service delivery models would not come onto the Board's work plan until early 2023. It was noted that there could be potential synergies between this topic and the broader technology workstream, especially understanding the independence or other ethical implications of managed services where technology plays an important role.
- Regarding the Benchmarking workstream:
 - A view that there would be strategic merit in next benchmarking the Code against Canadian ethics rules and regulations, given that Canada has been considering full adoption of the Code for quite some time. In this regard, it was suggested that the Board should identify factors to consider in determining which jurisdictions to prioritize for benchmarking purposes.
 - A view that it would not be sensible to undertake a comprehensive benchmarking of the Code against the EU audit legislation at this time given that the EC is reviewing the legislation and consulting on potential further audit reforms. In this regard, it was suggested that the Board prioritize outreach to the EC as it considers changes to the audit legislation.
- In relation to the various commitments to PIRs in the current strategy and work plan (NOCLAR, Long Association, and the restructured Code), whether a common approach will be used.

In the light of the Definitions of Listed Entity and Public Interest Entity project (PIE project), Ms. Giner also noted the PIOB's desire for the IESBA to undertake a holistic review of the topic of collective investment vehicles (CIVs) and pension funds (PFs) within the remaining period of the current SWP.

Dr. Thomadakis concurred with Ms. Giner's comment. Regarding the PIRs, he also agreed that there would be merit in considering a standardized approach to the review for "milestone" standards. In relation to global adoption of the Code, he was of the view that it would be important to know which jurisdictions have adopted only parts of the Code or where there have been any carve-outs.

DEVELOPMENT OF NEXT SWP

Mr. Siong outlined preliminary considerations regarding the development of the next SWP, including the process and timeline, and potential topics for inclusion in the strategy survey.

Among other matters, IESBA members raised the following:

- There should be proactive monitoring of the extent of adoption of the Code in terms of which jurisdictions have made modifications upon adoption and which jurisdictions have not adopted the Code.

- There is an element of stakeholder fatigue concerning the pace of changes to the Code. In addition, there are perceptions among some stakeholders about a greater drift towards more prescriptive provisions. Accordingly, consideration should be given to maintaining some stability to the Code. Commissioning more non-authoritative guidance might help in that regard.
- In relation to the list of 28 topics that have been identified as potential projects or initiatives, only one seems to relate specifically to professional accountants in business (PAIBs). Accordingly, there is a need for greater balance compared with professional accountants in public practice (PAPPs).

In relation to the issue of stakeholder fatigue, Dr. Thomadakis observed that ethical standards are “long-form constructs,” and accordingly, the Board should be judicious in making changes to them. He then highlighted a number of balances to be struck in developing the next SWP, namely:

- The urgency in addressing particular topics must be weighed against the public interest benefits of addressing them;
- Great ambitions to tackle issues must be balanced against resource limitations; and
- Aspirations must be set against reality, so understanding what is happening on the ground is important, hence the strategic importance of the PIRs.

WAY FORWARD

The Board will consider the draft strategy survey with a view to approving it for issuance at the March 2022 IESBA meeting.

7. Technology Project

Mr. Huesken introduced the session by providing a report-back on meetings with key stakeholders since September 2021. Input was received, in particular, from the IESBA CAG, Monitoring Group members IOSCO and IFIAR,⁸ the IFAC SMP Advisory Group, NSS and the Forum of Firms. Representatives of these key stakeholders expressed broad support for the Task Force’s proposals, including:

- An appreciation among NSS regarding the principles-based nature of the proposals in Parts 1 to 3 of the Code, balanced with the more specific proposals in Part 4 of the Code.
- Support from the Monitoring Group members in particular for the proposals in Part 4.

A few representatives of these key stakeholders also asked clarifying questions about whether the concepts underlying the proposals in Parts 1 to 3 were not already within the Code’s principles and why some of the proposals did not appear to be technology-specific. Mr. Huesken indicated that he had explained the Task Force’s approach to developing the proposed technology-related revisions in terms of (a) building on, and enhancing, concepts already in the Code, and (b) maintaining the Code’s principles-based nature, in order to preserve the relevance of the Code as technology evolves.

Mr. Huesken then:

- Walked the Board through the Task Force’s proposed changes to the Code ([Agenda Item 7B – Proposed Text \(Mark up from October Draft Text\)](#)). In this regard, he reminded the Board that the proposed changes were developed with consideration of Board input on the [September draft](#) at its

⁸ The International Forum of Independent Audit Regulators

September 2021 meeting, and Board input on the [October draft](#) circulated via email ~~during in~~ October 2021.

- Explained how the Task Force had considered and addressed the PIOB's [public interest issues](#) (as of November 2021) relating to the Technology project.
- Reminded the Board that the proposals are responsive to, and address, recommendations 1 to 7 of the [Phase 1 report](#) and feedback from the two global technology [surveys](#).

SECTION 113 – PROFESSIONAL COMPETENCE AND DUE CARE

The Board supported the proposed revisions to paragraphs 113.1 A1 and R113.3.

A few IESBA members expressed the view that additional application material should be provided to the effect that “standards of professional competence, such as those in the International Education Standards, are implemented through the professional competency requirements of individual jurisdictions” so that readers of the Code may readily understand where to find such standards.

The Board considered and, on balance, agreed not to propose such additional application material. It was noted that the extant Code includes an implicit obligation for PAs to identify the relevant applicable professional competence standards and resources in order to comply with the requirement in paragraph R113.1, appropriately informed by the guidance in paragraph 113.1 A2. Accordingly, a PAO's initial professional development programs for aspiring accountants and continuing professional development programs for PAs will be based on the relevant professional competence standards to enable PAs to meet the professional competence requirements of the Code.

The IESBA nevertheless agreed to specifically seek stakeholder feedback on this matter in the EM.

SECTION 114 – CONFIDENTIALITY, AND THE DEFINITION OF CONFIDENTIAL INFORMATION

The Board supported the proposed revisions to paragraph 114.1 A3, and proposed paragraph 114.1 A1 and the definition of “confidential information” in the Glossary.

An IESBA member expressed the view that the proposed definition of “confidential information” should explicitly include the concept of privacy by adding the sentence “This includes information for which privacy would be required under applicable laws or regulations.” The Board deliberated the suggestion and agreed not to include such a sentence in the proposed definition because the discussion of the Code's fundamental principle of confidentiality is all encompassing and is intended to cover privacy in a principles-based manner.

In this regard, the Board agreed that “privacy” is addressed by national laws and/or regulations, with which PAs are already required to comply pursuant to paragraphs R100.7 to 100.7 A1 of the Code: “...some jurisdictions might have provisions that differ from or go beyond those set out in the Code;” and “accountants in those jurisdictions need to be aware of those differences and comply with the more stringent provisions unless prohibited by law or regulation.” In coming to this view, the Board also noted that the concept of privacy is often covered in jurisdiction-level laws and regulations (e.g., the EU's General Data Protection Regulation) which might be conflicting among different jurisdictions.

The Board agreed to specifically seek stakeholder feedback on this matter in the EM.

SECTION 120 – CONCEPTUAL FRAMEWORK

The Board broadly supported proposed paragraphs 120.13 A1 to A3 and the proposed revisions to paragraph 120.14 A3. In finalizing the proposals relating to ‘complex circumstances’ in proposed paragraphs 120.13 A1 to A3, the Board deliberated the following:

- Whether there are other relevant facts and circumstances that give rise to complex circumstances, such as rapidly changing circumstances.

In this regard, the Board's view is that complex circumstances involve (a) elements that are uncertain, and (b) multiple variables and assumptions, which are interconnected or interdependent. The Board agreed that these characteristics would always need to be present when complex circumstances arise. The Board acknowledged that other conditions might be present when complex circumstances arise, such as rapidly changing facts and circumstances, but agreed that these other conditions are not determinative as to when a complex circumstance arises.

- Whether there might be potential translation issues with the terminology. For example, in some jurisdictions, the same word might be used to translate “complex” and “complicated.”

The Board agreed to seek input on exposure as to jurisdictions where this issue might arise and how, in such jurisdictions, the term ‘complex’ is translated.

The Board also noted that ‘complex’ and ‘complicated’ are often used interchangeably by the general public. The Board agreed that some PAs might be expected to turn to the new application material on complex circumstances whenever ‘unclear’, ‘difficult’, ‘complicated’ or ‘complex’ circumstances are encountered. Nevertheless, the Board agreed that there should not be a downside to a PA considering the actions to manage complex circumstances in addition to applying the conceptual framework.

The Board agreed to specifically seek stakeholder feedback on this matter in the EM.

SECTIONS 200, 220, 300 AND 320

The Board supported the Task Force's proposals to further enhance considerations relating to threats from the use of technology (proposed paragraphs 200.6 A2 and 300.6 A2), and address the ethical dimension of PAs' reliance on, or use of, the output of technology in carrying out their work (proposed revisions to paragraphs R220.7 and R320.10, and proposed paragraphs 220.7 A2, 220.7 A3, and 320.10 A2).

The Board deliberated whether the proposals should specifically address autonomous artificial intelligence (AI), i.e., machine learning (ML), by incorporating considerations specific to the oversight of the ML process to ensure that it does not incorporate bias and is subject to adequate supervision with clear accountability. The Board agreed that the use of the term “technology” in the proposals is broad and is meant to encompass all technologies (including AI and ML, blockchain, and other future technologies not yet known). In this regard, applying the proposals to the ML process, oversight of such a process would be covered by proposed paragraphs 220.7 A2 and 320.10 A2 within the last two sub-bullets:

- The employing organization/firm's oversight of the design, development, implementation, operation, maintenance, monitoring or updating of the technology.
- The appropriateness of the inputs to the technology, including data and any related decisions.

CONSIDERATION OF TERMINOLOGY IN EXISTING AI ETHICS GUIDANCE

The Board considered whether the terminology included in different sources of AI ethics guidance (e.g., accountability, transparency, explainability and privacy) should be leveraged for inclusion in the Code to minimize unnecessary differences that might detract from understanding ethics issues that might arise from the use of emerging technologies that involve AI and ML.

The Board considered and agreed that the concepts underlying the terminology used in the various sources of AI ~~e~~ethics guidelines are sufficiently incorporated in the proposed technology-related revisions to the Code. In this regard, the Board asked that an explanation be included in the EM.

INTERNATIONAL INDEPENDENCE STANDARDS, AS REVISED BY THE NON-ASSURANCE SERVICES PROJECT

The Board supported the Task Force's proposed changes to the International Independence Standards (IIS) in Parts 4A and 4B of the Code. In finalizing the proposals, the IESBA deliberated the following key matters:

Business Relationships

- Whether providing, selling, reselling or licensing technology will always create a business relationship.

The Board agreed that whether an arrangement meets the "close business relationship" criteria under the Code depends on the details of the specific contractual arrangement. The Board noted that the proposed additional examples in paragraph 520.3 A2 would provide enhanced guidance in this respect.

- Whether the prohibitions in Section 600 for non-assurance services (NAS) always apply when a firm or a network firm provides, sells, resells, or licenses technology to an audit client.

The Board agreed that when a firm provides, sells, resells, or licenses technology to an audit client, it should consider the relevance of the provisions in Section 600, taking into account the specific facts and circumstances. In particular, the Board noted that it is important to emphasize this consideration in proposed paragraphs 520.7 A1 and 600.6 because 24% of the survey respondents did not believe that the NAS provisions are relevant when a firm sells or licenses technology that performs a NAS.

Examples of IT Systems Services that Always Result in Assuming a Management Responsibility

The Board deliberated the most appropriate way to refer to the provision of services related to hosting, i.e., considering terms such as "arranges facilities to host" and "hosts." The Board agreed that the phrase "provides services in relation to the hosting (directly or indirectly) of an audit client's data" was the most appropriate way to do so because it encompasses services in relation to hosting in the broadest possible way, whether an audit client's data is hosted directly on internal servers or indirectly on a cloud ~~service~~ provider's servers. However, the Board acknowledged that if a firm or a network firm is collecting, receiving and retaining audit client data to enable the provision of a permissible service, this does not result in the assumption of a management responsibility.

The Board also agreed that operating an audit client's network security, business continuity or disaster recovery function always results in assuming a management responsibility.

Consideration of Technology-specific Matters and Comment Letters Received on the NAS Project

The Board noted that the Task Force had duly considered or addressed technology-specific matters and comment letters received on the NAS project when developing the proposed technology-related changes to the Code. The Board, in particular, asked that the EM explain how the proposals considered or addressed the matters outlined in paragraphs 102, 103, 124 and 125 of the [NAS Basis for Conclusions](#).

PIOB OBSERVER'S REMARKS

Ms. Giner expressed support for the proposed technology-related changes to the Code. In particular, she noted the public interest importance of the proposals that strengthen the IIS concerning the provision of NAS pertaining to other IT systems services in relation to concerns about the threats to independence.⁹

- ~~The proposals regarding NAS provided in relation to hosting and other IT systems services due to concerns about independence in appearance; and~~
- ~~The proposals which make it clear that the NAS provisions apply when a firm or a network firm uses technology to provide a NAS to an audit client (including when a firm's staff uses third-party software to perform the NAS, or when a firm uses its own technology to perform the NAS).~~

Ms. Giner also noted the PIOB's preference⁹ for a prohibition of hosting data of audit clients instead of having them under the management responsibility umbrella. Mr. Huesken explained that the provision of services in relation to the hosting of an audit client's data will effectively be prohibited under the proposals, which explicitly state that such services will result in the assumption of management responsibility. In this regard, the extant Code states that a firm or a network firm shall not assume a management responsibility for an audit client.

APPROVAL OF EXPOSURE DRAFT

After duly considering all the necessary refinements to the proposed text, the Board unanimously approved for exposure, with the affirmative votes of 16 out of the 16 IESBA members present, the proposed technology-related revisions to the Code. The Board set a comment period of 120 days from the date of issuance of the ED.

8. Long Association Post-implementation Review – Phase 1

Mr. Fleck introduced the topic by providing a report-back on the discussions on Phase 1 of the LAPIR at the September 2021 IESBA CAG meeting and the October 2021 IESBA-National Standard Setters (NSS) meeting. He reported that CAG and NSS participants were generally supportive of the Working Group's direction of travel as presented to the IESBA in September 2021. He added that the key comments raised at the CAG and NSS meetings were similar to those raised by respondents to the [LAPIR Phase 1 questionnaire](#).

Mr. Fleck informed the Board that 70% of the jurisdictions represented in the responses to the questionnaire either have already adopted or will adopt the 5-year cooling-off period for engagement partners (EPs) when the "jurisdictional provision" in paragraph R540.19 expires for audits of financial statements for periods beginning on or after December 15, 2023. This is compared to 10% of jurisdictions in the respondent pool that have not yet made a determination concerning the matter, and 20% that will not or will be unlikely to transition to the longer cooling-off period.

⁹ See PIOB Public Issues reports based on the IESBA's September 2021 and December 2021 -meetings.

Mr. Fleck provided an overview of the key issues raised relating to concerns about perceived additional stress on firm resources and the overlay of different jurisdictional long association regimes. He also summarized the Working Group's responses and its conclusion that there is an insufficient basis to extend the term of the jurisdictional provision.

The Board expressed overall support for the Working Group's conclusions, including its recommendation that no action be taken to extend or otherwise vary the jurisdictional provision. A few IESBA members, however, asked that the discussion of the following matters in the report be revisited to avoid misunderstanding:

- In relation to concerns expressed by respondents about the potential adverse impact on audit quality and potential increased audit market concentration as a result of the longer cooling-off period, the wording in the report should not convey the impression that the Board believes these are not issues, especially where the report refers to PIE audits performed by members of the Forum of Firms.
- Regarding the reference to EPs not returning to the audit engagements once they have completed their time-on periods, it was noted that it is quite possible that they come back in practice. In this regard, it was noted that some firms have extended the retirement age for some EPs for strategic clients to address resource constraints.
- The implementation of the EU Audit Regulation will depend on how EU member states have approached it. So, where the EU cooling-off provision has been embedded into local law, the local PAO may not be able to go beyond the local legal requirement.

Subject to the appropriate refinements to the report taking into account the above matters, the IESBA determined to allow the jurisdictional provision to expire for audits of financial statements for periods beginning on or after December 15, 2023 in accordance with the close-off document, [*Changes to the Code Addressing the Long Association of Personnel with an Audit or Assurance Client*](#).

Mr. Hansen reiterated that the CAG representatives were overwhelmingly supportive of the Working Group's recommendation not to extend the jurisdictional provision. Ms. Giner also noted that the PIOB welcomes the Working Group's recommendation.

WAY FORWARD

Dr. Thomadakis confirmed that no further Board deliberation or decision is required when the jurisdictional provision expires in December 2023. Mr. Siong indicated that the final report will be released in the new year.

9. Benchmarking Phase 1

Ms. Friedrich, Chair of the Benchmarking Working Group (WG), briefed the IESBA on the progress made in Phase 1 of the Benchmarking initiative. Phase 1 focuses on the comparison of the Code's independence provisions relevant to the audit of PIEs with the independence rules and provisions of the US Securities and Exchange Commission (SEC) and the US Public Company Accounting Oversight Board (PCAOB). The IESBA also received an update on the WG's observations based on the analysis completed to date in the draft Phase 1 report. The presentation included the WG's recommendations regarding the criteria to consider when deciding on possible independence frameworks for the future phases.

DRAFT CONCLUSIONS REGARDING KEY SIMILARITIES AND DIFFERENCES

The IESBA generally supported the WG's analysis and found the draft Phase 1 Report generally clear and comprehensive. Among other matters, participants raised the following:

- There was a suggestion for highlighting the recent PIE-related revisions to the Code in the final report. However, an IESBA member cautioned against including such revisions. It was observed that because the PIE revisions are intended to allow NSS the flexibility to tailor the revised PIE definition in the Code, the categories of PIEs are expected to vary from jurisdiction to jurisdiction.
- It might not be appropriate to compare the provisions of the Code on non-compliance with laws and regulations (NOCLAR) against the standards of the PCAOB covering similar issues. A WG member clarified that the report should recognize that the nature of the relevant rules and provisions ~~are~~is different in the two frameworks. However, he added that without reference to the PCAOB auditing standards, it would appear that the US independence framework is silent about NOCLAR, which could be misleading.

OBJECTIVES OF THE BENCHMARKING INITIATIVE

Ms. Giner acknowledged the time and effort spent on this initiative and questioned its relevance to the public interest. She recognized that it is important to learn about the differences between the independence frameworks, but wondered about the value and purpose of the initiative given the differences between the Code's principles-based approach versus the US SEC's more rules-based approach.

A WG member explained that the benchmarking initiative is focused on identifying the conceptual differences between the Code and the US SEC/PCAOB independence frameworks. Doing so would help to inform the Board about areas in the Code that might warrant consideration for potential further enhancement. The WG member added that the benchmarking exercise would also respond to specific stakeholder perceptions regarding the robustness of the principles-based provisions in the Code vis-à-vis the US SEC/PCAOB rules and standards. The WG member acknowledged that while the benchmarking analysis has been a time-consuming exercise, the Board now has in place a well-developed approach and methodology for future benchmarking phases.

Mr. Siong pointed out that the benchmarking could help promote the international convergence of independence standards, which is in the public interest. In addition, he noted that the Board could consider the findings in the Phase 1 Report in developing its future strategy and work plan. In this regard, he suggested that the WG consider identifying potential topics and areas for the Board's consideration. Ms. Friedrich responded that the WG was planning to present its observations for the IESBA's consideration in March 2022, but that these would not be included in the Phase 1 Report.

An IESBA member echoed Mr. Siong's comments regarding the public interest benefits of the benchmarking initiative, adding that the initiative, if further pursued in terms of additional phases, would be beneficial for jurisdictions that are currently considering adopting the Code.

Dr. Thomadakis noted that during outreach activities, especially in G-20 countries, IESBA members ~~are~~have often been asked about how the Code compares to other national codes, frameworks and standards. He pointed out that the outcome of the benchmarking initiative could provide an objective basis for answering these questions. He added that it could also provide a useful resource to IESBA members as they prepare to engage with stakeholders about the similarities and differences between the Code and provisions in different jurisdictions.

RECOMMENDED CRITERIA FOR DETERMINING FUTURE BENCHMARKING PHASES

IESBA members generally supported the list of criteria that the WG recommended when deciding on potential jurisdictions or independence frameworks for future benchmarking phases. IESBA members made the following comments, among others:

- Consideration should first be given to users' feedback on the Phase 1 report before deciding on the criteria. In addition, there should be some prioritization of the various criteria.
- There was agreement that international relevance is an important criteria. However, it would also be important to consider whether these jurisdictions diverge from the IESBA Code. There would not be much value in carrying out benchmarking against a framework that is already based on the Code. In this regard, the WG Chair pointed out that it could be useful to see how a NSS that has already implemented the Code has adapted the Code for its specific jurisdiction.
- Regarding the criterion concerning the stability of the standards, consideration should also be given to jurisdictions that have just recently updated their standards. In this regard, the WG Chair clarified that the criterion concerning stability was meant to take into account challenges with respect to benchmarking jurisdictions where standards are in flux.
- Care should be taken regarding the criterion "whether prior benchmarking exercises have been performed by the local bodies." In particular, the approach and methodology used to perform the local benchmarking initiatives might be different from what is being used by the IESBA Staff, and the objective of such local initiatives might not be consistent with those of the IESBA's benchmarking initiative.
- A jurisdiction's ability to contribute resources to the benchmarking exercise is a factor that should be heavily weighted.

Dr. Thomadakis emphasized that the IESBA's priority now is to complete Phase 1. He recommended that the Board discuss the next steps and decide whether to commit resources to additional phases at the March 2022 IESBA meeting.

WAY FORWARD

The Board will receive the Benchmarking IIS Phase 1 Report and the related executive summary at its March 2022 meeting.

10. Tax Planning and Related Services

Prof. Poll introduced the session, recapping the Tax Planning Task Force's activities in Q4 2021, including outreach to the IESBA-NSS liaison group in October 2021. He reported back the significant feedback from the NSS on the Tax Planning Working Group's final report and the project proposal.

TAX MORALITY, TAX JUSTICE, TAX FAIRNESS AND THE PUBLIC INTEREST

Prof. Poll presented the Task Force's observations and summarized its fact-finding work on the topics of tax morality, tax fairness and tax justice, as well as the Task Force's views as to whether and, if so, how these relate to the PA's responsibility to act in the public interest. During the fact-finding phase leading to the development of the final [report](#), various stakeholders had advised about the need to proceed with caution to avoid confusion with the overlapping themes of tax morality, tax fairness, and tax justice. In this regard, Prof. Poll emphasized that, while it would be relevant to speak to reputational risks from the

profession's perspective, the Task Force does not believe the Code should deal with the broader themes of tax morality, tax fairness, and tax justice.

Overall, the Board supported the Task Force's analysis as presented. Among other matters, the following were raised:

- There is a similarity between the expected behavior of PAs in providing tax planning and related services that are within the boundaries of the tax legislation in each jurisdiction, and the concepts of tax morality and social justice which are also jurisdiction-specific. The importance of this jurisdictional context is also reflected in the OECD's 2019 report, *Tax Morale: What Drives People and Businesses to Pay Taxes?* In this regard, it was suggested that whatever the Task Force will develop should be equally applicable in low-paying versus high-paying jurisdictions, and in jurisdictions with complex tax laws versus ones with relatively simple tax laws.
- The agenda paper's reference to the public interest with respect to a jurisdiction's fiscus appears somewhat narrow. This idea should be developed further to better recognize the need to have regard to the revenues of the jurisdiction to fund the infrastructure of public services.
- Careful and balanced consideration should be given to developing appropriate terminology without inadvertently introducing the concepts of tax morality, tax fairness and tax justice.
- There is ample room for the Board to operate in this area from an ethics perspective given that there are currently no global ethics standards that specifically address tax planning. However, national sovereignty with respect to tax laws needs to be acknowledged.
- The challenge will be in trying to achieve the aspiration of balancing the interests of the client or the employing organization against the interests of society while developing provisions that will be practical and operable.
- It is a welcome initiative of the Task Force to consider existing frameworks to investigate how the Board could codify best practices to help steer and promote PAs' ethical behavior in tax planning.

Dr. Thomadakis closed the discussion by noting that issues of tax justice and tax fairness are often articulated by the media and societal groups that strive to promote social equity, and these outlets are often critical of tax legislation that is perceived as failing to support their perception of the public interest. Dr. Thomadakis added this is the environment within which PAs must yet navigate.

Mr. Siong noted that the Task Force has a significant task ahead given its ambitious timeline. He highlighted the importance of the Board remaining agile and open-minded as the Task Force progresses the work on this project. He added that the Task Force planned to organize a series of global roundtables to seek input from stakeholders.

PIOB OBSERVER'S REMARKS

Ms. Giner acknowledged tax planning as being very relevant though complicated. She commended the Task Force's detailed analysis of these complicated concepts and supported the project's overarching objective for the PA to act in the public interest. Ms. Giner added that she was pleased that the Task Force was considering the PIOB's Public Interest Framework as it progresses its work.

WAY FORWARD

The IESBA will further discuss issues in the project at its March 2022 meeting.

11. PIOB Observer's Remarks

Ms. Giner thanked the Board for the opportunity to observe her first IESBA meeting. She complimented the Board on a productive meeting and conveyed her congratulations on the approval of the final documents for the Definitions of Listed Entity & PIE and the Quality Management-related Conforming Amendments, as well as the Technology and ET-GA EDs. She highlighted that these approvals demonstrated the substantial progress achieved in the public interest.

In closing, Ms. Giner acknowledged and thanked Dr. Thomadakis for his leadership.

12. Next Meeting

The next Board meeting is scheduled for March 14-16, 2022, with the format of the meeting to be confirmed to the Board in due course.

13. Closing Remarks

Dr. Thomadakis announced the final compositions of Task Forces and Working Groups for 2022, taking into account expressions of interest from Board members and Technical Advisors, and following consultation with the relevant Task Force or Working Group Chairs and the Program and Senior Director.

Dr. Thomadakis thanked the retiring IESBA members Mss. Gibson, Haustermans and Kiryabwire, and Messrs. Ashley and McPhee for their contributions to the Board's work during their terms. He also thanked the retiring technical advisors Mss. Maldonado-Rodek and Wydell, and Messrs. Barbour and Takwani for their contributions.

During the farewell celebrations, Dr. Thomadakis received accolades from many close colleagues and friends, including PIOB Chair Linda De Beer, IAASB Chair Tom Seidenstein, former IAASB Chair Arnold Schilder, former PIOB Chair Eddy Wymeersch, IFAC President Alan Johnson, IESBA Deputy Chair Caroline Lee and former IESBA Deputy Chair Richard Fleck. They highlighted the significant contributions of Dr. Thomadakis to the Board's achievements during his seven-year tenure as Chair of the Board, including the completion of the restructured Code, the completion of the NOCLAR, Safeguards, Revision of Part C, Inducements, Role & Mindset, NAS, Fees and PIE projects; the launch of the digital IESBA Code; the IESBA's COVID-19 Response series developed in collaboration with NSS; and an unparalleled number of global outreach and media engagements.

Lastly, on behalf of IESBA staff, Messrs. Gunn and Siong conveyed their sincere thanks to Dr. Thomadakis for his mentorship, leadership, and service in the public interest.

Dr. Thomadakis conveyed his deep appreciation and gratitude to the Board, close colleagues and staff. He acknowledged that the Board—alongside the IAASB and PIOB, the IESBA's counterparts in global standard setting—has worked to raise the ethical bar for PAs with standards that are operable globally and have achieved wide adoption; and to promote principles-based standards as a global public good. Dr. Thomadakis complimented the Board on the shared achievement, trust and friendship throughout the years. Lastly, he extended his best wishes to incoming Chair Dias and to the Board on the upcoming work under her leadership.

Dr. Thomadakis thanked the IESBA meeting participants for their contributions, conveyed his best wishes for the holiday season and the New Year, and closed the meeting.