

# IESBA Meeting Highlights and Decisions

March 2022

This summary of decisions of the International Ethics Standards Board for Accountants (IESBA) has been prepared for information purposes only. Except for documents approved for public exposure and issuance of final pronouncements, decisions reported on technical matters are tentative, reflect only the current status of discussions on projects, and may change after further deliberation by the IESBA.

Given the ongoing COVID-19 situation, the IESBA held its meeting on March 14-16, 2022 in a hybrid format. The in-person portion of the meeting was held in New York, USA. An audio recording of the meeting is available on the IESBA [website](#).

Contact: Ken Siong, IESBA Program and Senior Director ([KenSiong@ethicsboard.org](mailto:KenSiong@ethicsboard.org))

## Emerging Issues and Outreach Committee (EIOC)

In advance of beginning work on developing its Strategy and Work Plan 2024-2027, the IESBA considered recommendations from the EIOC on the way forward to progress the IESBA's activities in relation to sustainability reporting and assurance. The IESBA agreed to establish a new Sustainability Working Group that will, among other matters:

- Undertake fact finding to better understand the sustainability/Environmental, Social and Governance (ESG) landscape and to inform potential future standard-setting work.
- Advise IESBA Staff on the development of guidance to highlight existing provisions in the [International Code of Ethics for Professional Accountants \(including International Independence Standards\)](#) (the Code) that are relevant to addressing ethical concerns relating to sustainability reporting and assurance, especially the issue of "greenwashing."
- Review the Code to identify potential areas for enhancement to maintain its robustness and relevance to sustainability reporting and assurance.

In addition, the IESBA received a briefing from Ms. Kris Nathanail-Brighton, Senior Policy Advisor of the International Organization of Securities Commissions (IOSCO), on the progress of IOSCO's work on Sustainable Finance. Among other matters, Ms. Nathanail-Brighton provided insights and observations from IOSCO's fact-finding efforts. She also summarized IOSCO's ESG-related recommendations that were issued in 2021 and the key takeaways from IOSCO's February 2022 roundtable on the topic of audit and assurance of sustainability-related disclosures.

Finally, the IESBA considered potential areas of focus for the EIOC for 2022 beyond sustainability reporting and assurance.

The IESBA will receive updates from the Sustainability Working Group and the EIOC at its June 2022 meeting.

## Rollout of Revised Public Interest Entity (PIE) Definition

The IESBA noted the PIE Rollout Working Group's planned rollout activities to raise awareness and promote adoption and implementation of the revised definitions of listed entity and PIE and related provisions in the Code. Subject to the Public Interest Oversight Board's (PIOB) approval, the final pronouncement will be released by mid-April 2022 and will become effective for audits of financial statements for periods beginning on or after December 15, 2024.

The Working Group will engage in coordination with the International Auditing and Assurance Standards Board's (IAASB) PIE Task Force in relation to the IAASB's recently approved [PIE project](#).

The IESBA will receive an update from the PIE Working Group at its June 2022 meeting.

## IESBA-IFAC Collaboration in Relation to Adoption and Implementation of the Code

The IESBA received a presentation from IFAC Staff on the status of adoption and implementation of the Code. Among other matters, the IESBA noted the status of adoption of the 2018 edition of the Code (i.e., the revised and restructured version that became effective in June 2019), as well as the efforts of IFAC and professional accountancy organizations and others in supporting the adoption and implementation of the more recent revisions to the Code.

Finally, the IESBA was briefed on the various initiatives that IFAC has led to promote awareness, use, adoption and proper implementation of the Code.

## Benchmarking International Independence Standards

The IESBA received the final report arising from benchmarking the International Independence Standards (IIS) against the independence rules and standards of the US Securities and Exchange Commission (SEC) and the US Public Company Accounting Oversight Board (PCAOB) (Benchmarking Phase 1). The IESBA also received an accompanying summary report that provides an overview of the similarities and key differences identified from the benchmarking analysis.

The final report and related summary will be published by May 2022.

Regarding the way forward, the IESBA agreed to focus its efforts on promoting the outcome of the Benchmarking Phase 1 work. Additional benchmarking phases will be considered in future subject to resource availability in light of current priorities.

## IESBA Strategy and Work Plan Survey

The IESBA approved for issuance a strategy survey for purposes of developing its Strategy and Work Plan (SWP) 2024-2027. In addition, the IESBA broadly agreed its [work plan](#) for 2022-2023, noting the need for flexibility and agility in light of evolving priorities.

The strategy survey will be issued by mid-April 2022 with a public comment period of at least 75 days.

The IESBA will consider a full analysis of the survey responses at its September 2022 meeting.

## Tax Planning & Related Services

The IESBA considered a proposed approach from its Tax Planning Task Force in relation to the development of a framework to guide professional accountants (PAs) in business (PAIBs) and professional accountants in public practice (PAPPs) when they provide tax planning and related services

to employing organizations and clients, respectively. Among other matters, the IESBA discussed how the “gray zone” of tax planning might be approached, the fundamental principles impacted when PAs operate in the gray zone, potential indicators of the gray zone, terminology describing the gray zone, and an outline of the proposed response framework.

The IESBA will hold [three global virtual roundtables](#) to obtain feedback from stakeholders on the issues and its preliminary thinking regarding the response framework.

The IESBA will discuss the feedback from the roundtables and the Task Force’s further proposals at its June 2022 meeting.

### Technology Fact Finding and Thought Leadership

The IESBA received an update from its Technology Working Group in relation to the Working Group’s Q1 2022 fact-finding activities in a number of technology areas, and the development of technology-related thought leadership and other ethics and independence resources. The IESBA noted the establishment of a Technology Experts Group (TEG) consisting of eight members with practical experience using or implementing technology. The TEG will act as a sounding board and provide input to the Working Group. The TEG will receive technical staff support from the Australian Accounting Professional & Ethical Standards Board (APESB), a member of the IESBA-National Standard Setters liaison group.

The IESBA will consider a preliminary draft of the Working Group’s report on its fact-finding activities in June 2022.

### Next Meeting

The next IESBA meeting is scheduled for June 6-8, 2022, to be held in a hybrid format.