



Friday, 2 December 2022

Mr Channa Wijesinghe
Chief Executive Officer
Accounting Professional and Ethical Standards Board (APESB)
Level 11, 99 William Street
Melbourne VIC 3000

Via website: <https://apesb.org.au/current-projects>

Dear Channa

Proposed Revisions to the Definitions of Listed Entity and Public Interest Entity in APES 110 Code of Ethics for Professional Accountants (including Independence Standards)

Chartered Accountants Australia and New Zealand (CA ANZ) appreciates the opportunity to provide comments on the proposed amendments to the definitions of Listed entity and Public Interest Entity (the definitions) in APES 110 Code of Ethics for Professional Accountants (Including Independence Standards) (APES 110) (the ED).

Overall CA ANZ is supportive of the ED's proposed revisions to APES 110 in the interests of conformity with the revised definitions in the IESBA's Code of Ethics for Professional Accountants, including replacing "Listed Entity" with "Publicly Traded Entity".

We have some specific comments, in **Appendix A**, which address the connections and drafting of certain paragraphs, which we believe should be clarified.

We are supportive of the proposed effective date of 1 January 2025.

Appendix B provides more information about CA ANZ. Should you have any questions about the matters raised in this submission or wish to discuss them further, please contact Melanie Scott Senior Policy Advocate – Reporting and Assurance at melanie.scott@charteredaccountantsanz.com.

Sincerely,

Simon Grant FCA
Group Executive – Advocacy and International

Amir Ghandar FCA
Assurance and Reporting Leader

Appendix A

Specific comments

Request for Specific Comment 1 – Are there categories of entities not captured by the extant AUST application material that should be included in proposed paragraph AUST 400.18 A3 as these entities are generally considered to be a Public Interest Entity in Australia?

We are not aware of any categories of entities not captured by the extant AUST application material.

Other specific comments

1. For ease of understanding by the users of the Code, we recommend that paragraph R400.17 includes a footnote to direct users to proposed paragraph AUST 400.18 A3 to see the list of Australian inclusions for PIEs.
2. The introduction to proposed paragraph AUST 400.18 A3 can be simplified.

The proposed introduction is:

The following entities in Australia will generally satisfy the conditions in paragraphs 400.9, R400.17 and R400.18 as having a large number and wide range of stakeholders and thus are likely to be classified as Public Interest Entities. In each instance Firms shall consider the nature of the business, its size and the number of its employees:

We recommend that this be simplified to “The following entities in Australia will generally satisfy the conditions in paragraphs 400.9, R400.17 and R400.18” because:

- The use of “having a large number and wide range of stakeholders” introduces a test that is worded differently to paragraph R400.9 and the test in R400.9 is sufficient; and
- The last sentence in the paragraph repeats the criteria in R400.9 so is not needed.

3. AUST R400.14.1 is a legacy requirement from the extant code. We recommend the Board considers whether this is still necessary to include as a requirement or whether it can be included as guidance. The IESBA code does not contain an equivalent requirement. 400.14 in the IESBA code is guidance that reminds firms they must apply the conceptual framework in Section 120 to identify, evaluate and address threats to independence in relation to an audit engagement.

4. In the IESBA Code, paragraph 400.19.1 is a guidance paragraph which encourages firms to consider if there are other factors that may cause an entity to be classified as a PIE. Proposed paragraph AUST R400.19 has been elevated to a requirement. We are not aware of a compelling reason which would require the elevation of this guidance to a requirement in Australia and encourage the Board to consider whether this change is necessary.

Appendix B

About Chartered Accountants Australia and New Zealand

Chartered Accountants Australia and New Zealand (CA ANZ) represents more than 134,000 financial professionals, supporting them to build value and make a difference to the businesses, organisations and communities in which they work and live.

Around the world, Chartered Accountants are known for their integrity, financial skills, adaptability and the rigour of their professional education and training.

CA ANZ promotes the Chartered Accountant (CA) designation and high ethical standards, delivers world-class services and life-long education to members and advocates for the public good. We protect the reputation of the designation by ensuring members continue to comply with a code of ethics, backed by a robust discipline process. We also monitor Chartered Accountants who offer services directly to the public.

Our flagship CA Program, the pathway to becoming a Chartered Accountant, combines rigorous education with practical experience. Ongoing professional development helps members shape business decisions and remain relevant in a changing world.

We actively engage with governments, regulators and standard-setters on behalf of members and the profession to advocate in the public interest. Our thought leadership promotes prosperity in Australia and New Zealand.

Our support of the profession extends to affiliations with international accounting organisations.

We are a member of the International Federation of Accountants and are connected globally through Chartered Accountants Worldwide and the Global Accounting Alliance. Chartered Accountants Worldwide brings together members of 13 chartered accounting institutes to create a community of more than 1.8 million Chartered Accountants and students in more than 190 countries. CA ANZ is a founding member of the Global Accounting Alliance which is made up of 10 leading accounting bodies that together promote quality services, share information and collaborate on important international issues.

We also have a strategic alliance with the Association of Chartered Certified Accountants. The alliance represents more than 870,000 current and next generation accounting professionals across 179 countries and is one of the largest accounting alliances in the world providing the full range of accounting qualifications.