

Extract of select sections in proposed Amending Standard setting out the mark-ups to remove stage 2 provisions

Revisions to APES 110 Code of Ethics for Professional Accountants (including Independence Standards) Relating to the Definition of Engagement Team and Group Audits

[Date]

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~~STAGE 2 – AMENDMENTS TO THE GLOSSARY RELATING TO REVISIONS TO THE DEFINITIONS OF LISTED ENTITY AND PUBLIC INTEREST ENTITY~~

~~GLOSSARY~~

~~**Audit Client**~~

~~An entity in respect of which a Firm conducts an Audit Engagement. When the client is a Publicly Traded Entity, in accordance with paragraphs R400.22 and R400.23, Audit Client will always include its Related Entities. When the Audit Client is not a Publicly Traded Entity, Audit Client includes those Related Entities over which the client has direct or indirect control. (See also paragraph R400.27.)~~

~~*In Part 4A, the term "Audit Client" applies equally to "Review Client." In the case of a Group Audit, see the definition of Group Audit Client.*~~

~~**Group Audit Client**~~

~~The entity on whose Group Financial Statements the Group Auditor Firm conducts an Audit Engagement. When the entity is a Publicly Traded Entity, the Group Audit Client will always include its Related Entities and any other Components at which audit work is performed. When the entity is not a Publicly Traded Entity, the Group Audit Client includes Related Entities over which such entity has direct or indirect control and any other Components at which audit work is performed.~~

~~*See also paragraph R400.27.*~~

~~*[All other terms in the Glossary of the extant Code remain unchanged.]*~~

TRANSITIONAL PROVISIONS

[Paragraphs 1 to 7 of the transitional provisions in the extant Code and amending standards remain unchanged.]

Revisions to the Code Relating to the Definition of Engagement Team and Group Audits

8. Revisions to the Code Relating to the Definition of Engagement Team and Group Audits have effective dates as set out below.

~~Stage 1—Amendments Relating to the Definition of Engagement Team and Group Audits:~~

- Changes to the Glossary will be effective for:
 - audits and reviews of **Financial Statements** and **Group Financial Statements** for periods beginning on or after 1 January 2024; and
 - **Assurance Engagements** other than **Audit** or **Review Engagements** with respect to **Underlying Subject Matter** covering periods beginning on or after 1 January 2024, otherwise, as of 1 January 2024.
- Changes to Section 400 relating to the revision of the definition of **Engagement Team** and the new provisions in Section 405 relating to **Group Audits** will be effective for audits and reviews of the **Financial Statements** and audits of **Group Financial Statements** for periods beginning on or after 1 January 2024.
- Conforming and consequential amendments to Sections 360, 510, 540, 605, 800, 900, 940 and 990 and paragraphs 400.30 A1 to 400.31 A1 will be effective as of 1 January 2024.
- For non-assurance services engagements a **Component Auditor Firm** outside the **Group Auditor Firm's Network** has entered into with a **Component Audit Client** before 1 January 2024 and for which work has already commenced, the **Component Auditor Firm** may continue such engagements under the extant provisions of the **Code** until completed in accordance with the original engagement terms.

~~Stage 2—Amendments to the Glossary Arising from Revisions to the Definitions of Listed Entity and Public Interest Entity will be effective for audits and reviews of Financial Statements and Group Financial Statements for periods beginning on or after 1 January 2025. Early adoption will be permitted.~~