

AGENDA PAPER

Item Number: 12

Date of Meeting: 21-22 November 2011

Subject: ED 03/11 Proposed Definition of Public Interest Entity for the Code

Action Required

For Information Only

Purpose

To consider the respondents comments on the Exposure Draft 03/11 *Proposed Definition of Public Interest Entity* for APES 110 *Code of Ethics for Professional Accountants*.

Background

At the November 2010 Board meeting, the Board approved a project to further explore the definition of Public Interest Entity in the Australian content in respect of the revised APES 110 *Code of Ethics for Professional Accountants* (the Code). The current definition of Public Interest Entity contained in the Code is the same as IESBA's definition.

At the May 2011 Board meeting, the Board agreed to issue a Consultation Paper: *Proposed Definition of Public Interest Entity for the Code* to seek stakeholders views on the definition of a Public Interest Entity in the Australian context.

At the August 2011 Board meeting, the Board considered the responses received from the consultation paper and agreed that additional Australian guidance is required to clarify the definition of a Public Interest Entity in the Australian context. Accordingly, an Exposure Draft (ED) of the Board's proposals was prepared and issued as ED 03/11 for public comment.

ED 03/11 closed for comment on the 10th of October 2011. APESB received 12 submissions from Firms, ASIC, APRA, AUASB, ACAG and the Joint Accounting Bodies.

Consideration of Key Issues

Refer to the attached Technical Staff Paper.

Staff Recommendations

Technical Staff has referred the issue of the APRA regulated entities to APRA and is awaiting further guidance in this regard.

Refer to the Technical Staff paper for other editorial recommendations.

Material Presented

- APES 110 Definition of PIE - Technical Staff Paper;
- ED 03/11 Proposed Definition of Public Interest Entity for the Code
- General Comments Table;
- Specific Comments Table;
- Exposure Draft Submissions; and
- APRA Prudential Standard CPS 510 Governance.

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Date: 10 November 2011