

12 December 2022

Chief Executive Officer
Accounting Professional & Ethical Standards Board Limited
Level 11, 99 William Street
Melbourne Victoria 3000

Via email: sub@apesb.org.au

Dear Channa,

Exposure Draft 05/22 - Proposed Revisions to the Definitions of Listed Entity and Public Interest Entity in APES 110 Code of Ethics for Professional Accountants (including Independence Standards)

We appreciate the opportunity to comment on Exposure Draft 05/22 Proposed Revisions to the Definitions of Listed Entity and Public Interest Entity (PIE) in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) ("the Australian Code") issued by the Accounting Professional & Ethical Standards Board (APESB) in July 2022 (the ED).

As stated in our correspondence on previous revisions to APES 110, we consider that the Australian Code should reflect the wording and structure of the International Code of Ethics for Professional Accountants (including International Independence Standards) (the International Code) preferably with no changes, unless changes are required for legislative or regulatory reasons.

Comments

We are supportive of the revisions proposed by the APESB in ED 05/22 to incorporate the changes made to the International Code.

We have the following comments in relation to paragraphs AUST 400.18 A3 and AUST R400.19 for the Board's consideration:

- *Paragraph AUST 400.18 A3*

Paragraph 400.18 A2 of the International Code allows bodies responsible for setting ethics standards to establish additional categories of PIEs in professional standards. If paragraph AUST 400.18 A3 represents the addition of categories of PIEs by the APESB in accordance with 400.18 A2, then we do not believe that Firms are permitted to further consider "the nature of the business, its size and the number of its employees" under the new provisions. It is our understanding that Firms are only permitted to consider categories under 400.19 A1 in addition to those established by law, regulation or professional standards.

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- *Paragraph AUST R400.19*

We do not believe there to be any rationale arising from the Australian environment for maintaining an additional Australian specific requirement in paragraph AUST R400.19. In the context of the revised changes to the International Code, which now includes additional mandatory categories of PIEs and expanded guidance on the determination of PIEs including by professional bodies, we encourage the Board to consider adopting 400.19 A1 as set out in the International Code.

Request for Specific Comment

We do not consider there are categories of entities not captured by the extant AUST application material that should be included in proposed paragraph AUST 400.18 A3 to be generally considered to be PIEs in Australia.

We would be pleased to discuss our comments with you. If you wish to do so, please feel free to contact me at (02) 9322 5258.

Yours sincerely



Marisa Orbea
Partner