
INDEPENDENT REGULATORY BOARD FOR AUDITORS
COMMITTEE FOR AUDITING STANDARDS

IAASB Proposes Narrow Scope Amendments to Operationalize Changes to the IESBA Code that Enhance Transparency About Independence

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The International Auditing and Assurance Standards Board (IAASB) has released proposed [narrow scope amendments](#) to International Standard on Auditing (ISA) 700 (Revised), *Forming an Opinion and Reporting on Financial Statements*; and ISA 260 (Revised), *Communication with Those Charged with Governance*. The proposed amendments will help operationalize [recently approved changes](#) to the International Ethics Standards Board for Accountants' (IESBA) *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) that are related to listed and public interest entities. The changes to the IESBA Code require firms to publicly disclose when the independence requirements for public interest entities have been applied in an audit of financial statements.

This Exposure Draft is part of a broader IAASB project that responds to recent revisions to the IESBA Code in relation to listed and public interest entities. The project is being undertaken as two tracks, with this as Track 1. Other amendments that may be considered in Track 2, on a separate timeline and with a later effective date, include:

- Aligning to the greatest extent possible the definitions and key concepts underlying the definitions in the International Standards on Quality Management (ISQMs) and ISAs related to listed and public interest entities to IESBA's definitions and key concepts in the revisions to the IESBA Code; and
- Considering the applicability of existing differential requirements for listed entities in the ISQMs and ISAs, and whether these need to be amended, in light of the IESBA's revisions that address the definitions of "publicly traded entity" and public interest entities.

Following the IESBA's release of these recently approved changes, the Committee for Auditor Ethics [approved a project for the consideration of potential revisions to aspects of the IRBA Code of Professional Conduct for Registered Auditors \(Revised November 2018\) \(IRBA Code\)](#), as amended. This took into consideration, among other things, the impact that the revised the IESBA Code has on the IRBA Code in relation to the definition of listed entity, PIE and related paragraphs.

Request for Comments

We invite registered auditors and others to submit to the IRBA, for its consideration, any comments regarding the Proposed Narrow Scope Amendments to Operationalize Changes to the IESBA Code that Enhance Transparency About Independence, as we prepare our response to the IAASB. Comments, in Word and PDF formats, should be sent to standards@irba.co.za by **12 September 2022**.

Alternatively, comments may be submitted directly to the IAASB through the [IAASB website](#), which has a "Submit a Comment" link on the Exposure Draft page. Comments to the IAASB close on **4 October 2022**.

The Exposure Draft is available in a PDF format and may be downloaded from the [IRBA website](#). Should you have any further queries, please do not hesitate to contact the Standards Department by emailing standards@irba.co.za.

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Director: Standards

About the IRBA

The objective of the IRBA is to endeavour to protect the financial interests of the South African public and international investors in South Africa through the effective and appropriate regulation of audits conducted by registered auditors, in accordance with internationally recognised standards and processes.

The statutory responsibility of the CFAS is to assist the IRBA to develop, maintain, adopt, issue or prescribe auditing pronouncements; to consider relevant international changes by monitoring developments by other auditing standard-setting bodies and sharing information where requested; and to promote and ensure the relevance of auditing pronouncements.