

Meeting: IESBA
Meeting Location: Via Zoom
Meeting Date: July 22, 2020

Agenda Item

1

Fees

Objectives of the Session

1. To receive a high-level overview of the key comments provided by respondents to the Fees Exposure Draft.¹
2. To discuss select substantive issues identified by the Fees Task Force (Task Force) that will impact how the revisions to the proposals will be progressed.

Task Force

3. The Task Force comprises:
 - Ian McPhee, IESBA Member and Task Force Chair
 - Michael Ashley, IESBA Member
 - Liesbet Haustermans, IESBA Member
 - Caroline Lee, IESBA Member

Background

4. In January 2020, the IESBA published the [Exposure Draft on Proposed Revisions to the Fee-related Provisions of the Code](#) (ED), with a comment period until May 4, 2020.
5. After the publication of the ED, some stakeholders informed the IESBA that they were experiencing disruptions to their operations caused by the pandemic. To provide additional time for submitting responses, the IESBA agreed to extend by one month the comment period until June 4, 2020.
6. In March, two global IESBA webinars were held focused on the proposed changes to the International Independence Standards arising from the [Fees](#) and Non-assurance Services projects. During the webinars, the Task Force Chairs presented the key proposed changes in both projects and participants had the opportunity to learn more about the aim of the proposed revisions to the Code.
7. Up until early July 2020, [64 respondents](#) have provided comments to the ED from the following stakeholder groups and regions, including Monitoring Group members IOSCO² and IFIAR.³ (See the full list of respondents in the **Appendix** to this document.)

¹ All comments letters on the Exposure Draft can be accessed [here](#).

² International Organization of Securities Commissions

³ International Forum of Independent Audit Regulators

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Stakeholder Category	#
Regulators and Oversight Bodies	10
National Standard Setters	4
Public Sector Organizations	3
Preparers and TCWG	1
IFAC Member Bodies	30
Firms	12
Others	4

Region	#
Asia-Pacific	17
Global organizations	16
Europe	14
Middle East & Africa)	8
North America	6
South America	3

8. The Task Force met on July 2 and considered on a preliminary basis a high-level summary of comments to the key issues prepared by Staff.
9. The Task Force will consider comments from respondents related to the proposed application material and the wording of the proposals before the September 2020 Board meeting and will present them as part of the full review of comments.

Matters for Consideration/Actions Requested

10. IESBA members are asked to
 - (a) Consider the key observations set out in **Agenda Item 1-A**; and
 - (b) Provide input to the specific questions in **Agenda Item 1-A** that will impact how the proposals in the Fees ED will be progressed.

Next Steps

11. The Task Force will present to the Board a full review of the comments to the ED at the September 2020 IESBA meeting. Furthermore, based on the comments from respondents and the input provided by the Board on the select issues, the Task Force will present the revised proposals for first-read in September 2020.
12. The Task Force will also seek input from:
 - The IESBA Consultative Advisory Group (CAG) in September 2020.
 - IFAC Small and Medium Practices (SMP) Committee in September 2020.
 - The Forum of Firms (FoF) meeting in October 2020.
 - The IESBA-National Standard Setters Liaison Group (NSS) at the NSS virtual meeting in October 2020.

Materials Presented

Agenda Item 1-A High-level Overview of Key Comments to Fees ED (*slide deck*)

List of Respondents to Fees ED

Note: Members of the Monitoring Group are shown in bold below.

#	Abbrev.	Respondent (64)	Region
Regulators and Oversight Authorities, Including MG members (10)			
1.	BFRC	Bangladesh Financial Reporting Council	AP
2.	CEOAB	Committee of European Auditing Oversight Bodies	EU
3.	CMASA	Capital Market Authority – Saudi Arabia	AP
4.	IAASA	Irish Auditing & Accounting Supervisory Authority	EU
5.	IRBA	Independent Regulatory Board for Auditors	MEA
6.	IFIAR	International Forum of Independent Audit Regulators	GLOBAL
7.	IOSCO	International Organization of Securities Commissions	GLOBAL
8.	NASBA	National Association of State Boards of Accountancy	NA
9.	MAOB	Malaysian Audit Oversight Board, Securities Commission	AP
10.	UKFRC	United Kingdom Financial Reporting Council	EU
Preparers and Those Charged with Governance (1)			
11.	JASBMA	Japan Audit & Supervisory Board Members Association	AP
National Standard Setters (4)			
12.	APESB	Accounting Professional & Ethical Standards Board Australia	AP
13.	CNCC	Compagnie Nationale des Commissaires aux Comptes	EU
14.	MICPA	Malaysian Institute of Certified Public Accountants	AP
15.	XRB NZ	New-Zealand Auditing & Assurance Standard Board	AP
Firms (12)⁴			
16.	BKTI*	Baker Tilly International	GLOBAL
17.	BDO*	BDO	GLOBAL
18.	CROWE*	Crowe Global	GLOBAL
19.	DTTL*	Deloitte Touch Tohmatsu Limited	GLOBAL
20.	EY*	Ernst & Young Global	GLOBAL
21.	GTIL*	Grant Thornton International Limited	GLOBAL
22.	KPMG*	KPMG IFRG Limited	GLOBAL
23.	Mazars*	Mazars Group	GLOBAL

⁴ Forum of Firms members are indicated with a *. The Forum of Firms is an association of international networks of accounting firms that perform [transnational audits](#). Members of the Forum have committed to adhere to and promote the consistent application of high-quality audit practices worldwide, and use the ISAs as the basis for their audit methodologies.

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#	Abbrev.	Respondent (64)	Region
24.	Moore*	Moore Global Network Limited	GLOBAL
25.	NEXIA ^{5*}	Nexia International	GLOBAL
26.	PWC*	PricewaterhouseCoopers International Limited	GLOBAL
27.	RSM*	RSM International Limited	GLOBAL
Public Sector Organizations (3)			
28.	AGNZ	Office of the Auditor General of New Zealand	AP
29.	AGSA	Auditor General of South-Africa	MEA
30.	GAO	United States Government Accountability Office	NA
IFAC Members/ Professional Accountancy Organizations (30)⁶			
31.	ACCA CAANZ	Joint Submission by Chartered Accountants Australia and New Zealand and the Association of Chartered Certified Accountants	GLOBAL
32.	AE	Accountancy Europe	EU
33.	AICPA PEEC	AICPA Professional Ethics Executive Committee	NA
34.	ASSIREVI	Association of the Italian Audit Firms	EU
35.	BICA	Botswana Institute of Chartered Accountants	MEA
36.	CAI	Chartered Accountants of Ireland	EU
37.	CPAA	CPA Australia	AP
38.	CPAC	Chartered Professional Accountants Canada Public Trust Committee	NA
39.	FAR	Institute for Accountancy Profession in Sweden	EU
40.	HKCIPA	Hong Kong Institute of Certified Public Accountants	AP
41.	Ibracon	Instituto dos Auditores Independentes do Brasil	SA
42.	IAA	Inter-American Accounting Association (IAA)	SA
43.	ICAB	Institute of Chartered Accountants of Bangladesh	AP
44.	ICAEW	Institute of Chartered Accountants in England and Wales	EU
45.	ICAG	Institute of Chartered Accountants Ghana	MEA
46.	ICAI	The Institute of Chartered Accountants of India	AP
47.	ICAS	The Institute of Chartered Accountants of Scotland	EU
48.	ICPAU	Institute of Certified Public Accountants of Uganda	MEA
49.	IPA	Institute of Public Accountants (Australia)	AP
50.	ISCA	Institute of Singapore Chartered Accountants	AP

⁵ Nexia submitted a comment letter compiling individual responses of member firms from Singapore, South Africa, UK, Japan and Argentina.

⁶ Certain [members of IFAC](#) hold the dual role of ethics standard setter in their jurisdictions.

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#	Abbrev.	Respondent (64)	Region
51.	IDW	Institute der Wirtschaftsprüfer	EU
52.	JICPA	Japan Institute of Certified Public Accountants	AP
53.	KICPA	Korean Institute of Certified Public Accountants	AP
54.	NBAAT	National Board of Accountants & Auditors – Tanzania	MEA
55.	MIA	Malaysian Institute of Accountants	AP
56.	MIPA	Mexican Institute of Public Accountants	SA
57.	NYSSCPA	New York State Society of CPAs	NA
58.	NBA	Royal Netherlands Institute of Chartered Accountants	EU
59.	SAICA	South African Institute of Chartered Accountants	MEA
60.	WPK	Wirtschaftsprüferkammer	EU
Others, Including Academics (4)			
61.	CAQ	US Center for Audit Quality	NA
62.	EFAA	European Federation of Accountants and Auditors for SMEs	EU
63.	IFAC SMPC	IFAC Small and Medium Practices Committee	GLOBAL
64.	PP	Porus Pavri	MEA