

Exposure Draft

Proposed Changes to EP 100 Code of Professional Conduct and Ethics

Comments are requested by 14 June 2023.

Once issued, the proposed changes are effective as of 15 December 2024.

REQUEST FOR COMMENTS

This Exposure Draft of ISCA was approved for publication in May 2023. This Exposure Draft may be modified in light of comments received before being issued in its final form. Comments should be submitted so as to be received by 14 June 2023, preferably by e-mail. All comments will be considered a matter of public record. Email responses should be sent to professionalstandards@isca.org.sg.

PROPOSED CHANGES TO EP 100
CODE OF PROFESSIONAL CONDUCT AND ETHICS
TABLE OF CONTENTS

	Page
EXPLANATORY MEMORANDUM	4
PROPOSED CHANGES TO EP 100	7
300 Applying the Conceptual Framework – Professional Accountants in Public Practice	7
400 Applying the Conceptual Framework to Independence for Audit and Review Engagements	8
410 Fees	12
600 Provision of Non-Assurance Services to an Audit Client	13
601 – Accounting and Bookkeeping Services	15
605 – Internal Audit Services	16
606 – Information Technology Systems Services	17
609 – Recruiting Services	18
Glossary, including Lists of Abbreviations	19

EXPLANATORY MEMORANDUM

Introduction

1. All members of the Institute of Singapore Chartered Accountants (ISCA) must adhere to the EP 100 *Code of Professional Conduct and Ethics* (the Code or EP 100). EP 100 is modelled after the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA) of the International Federation of Accountants (IFAC).
2. EP 100 also encompasses the SG provisions included in the *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* issued by the Accounting and Corporate Regulatory Authority (ACRA). SG provisions are local adaptations to serve the public interest in Singapore and to conform to Singapore's regulatory environment and statutory requirements.
3. This memorandum provides background to ISCA's Exposure Draft (ED), and an explanation of the proposed changes to EP 100.

Background

4. EP 100, revised on 7 September 2022 and effective 15 December 2022, is based on the *Handbook of the International Code of Ethics for Professional Accountants, 2022 Edition* of the IESBA, published by the IFAC in September 2022.
5. In April 2022, IFAC published the final pronouncement, *Revisions to the Definitions of Listed Entity and Public Interest Entity in the Code* (PIE final pronouncement). If adopted, the Code would contain revised section 400, revised terms, "audit client" and "public interest entity", and a new term "publicly traded entity" (in place of the term "listed entity") in the Glossary and consequential and conforming amendments to section 300, section 410, section 600 and subsections 601, 605, 606 and 609.

Consultation

6. This consultation seeks feedback on the proposed changes to EP 100 in this ED to adopt the PIE final pronouncement and to revise the additional SG definition of "Public interest entity" in the Glossary.
7. The key elements of the proposed changes to EP 100 are highlighted in the section that follows below.

Key Elements of the Proposed Changes to EP 100

8. Key revisions to EP 100 to adopt the PIE final pronouncement are as follows:
 - Introduce an overarching objective for additional independence requirements for entities that are public interest entities.
 - Provide guidance on factors for consideration when determining the level of public interest in an entity.
 - Expanded definition of a "public interest entity" (PIE) by specifying a broader list of PIE categories and including a new category and term, "publicly traded entity" to replace the term "listed entity".
 - Recognize that relevant local bodies have the responsibility, and are also best placed, to assess and properly refine the PIE categories in the expanded definition as it would be impossible to establish a baseline definition globally which would not require further local refinements. (see para. 9)

- Introduce a transparency requirement for firms to publicly disclose the application of independence requirements for PIEs in performing an audit of the financial statements of an entity.
9. In light of the expanded definition of PIE, the additional SG definition of PIE has been revised to clarify on the entities that would fall within the scope of sub-paragraphs (a) and (d) of the revised PIE definition and as such, would be considered as PIEs locally.

Public interest entity	<p>For the purposes of Part 4A, an entity is a public interest entity when it falls within any of the following categories:</p> <ul style="list-style-type: none"> (a) A publicly traded entity; (b) An entity one of whose main functions is to take deposits from the public; (c) An entity one of whose main functions is to provide insurance to the public; or (d) An entity specified as such by law, regulation or professional standards to meet the purpose described in paragraph 400.10. <p>The Code provides for the categories to be more explicitly defined or added to as described in paragraphs 400.18 A1 and 400.18 A2.</p>
Note: Additional SG definition of “Public interest entity” (PIE)	<p>For the purposes of sub-paragraph (a):</p> <ul style="list-style-type: none"> (a) A publicly traded entity is defined as any listed entity, regardless of country of incorporation of that entity or location of securities exchange where that entity’s debt or equity instruments are traded. <p>For the purposes of sub-paragraph (d), an entity specified by law, regulation or professional standards to be a public interest entity would include the following:</p> <ul style="list-style-type: none"> (a) Any entity that is in the process of issuing its debt or equity instruments for trading on a securities exchange in Singapore. (b) Any financial institution. <p>A firm shall apply the independence requirements for public interest entities to the audit of the financial statements of large charities and large institutions of a public character.</p> <p>A firm shall apply the independence requirements for public interest entities to the audit of the financial statements of listed business trusts (BT) and listed real estate investment trusts (REIT), regardless of country of constitution or location where units in the relevant listed BT or relevant listed REIT are traded. References to PIE throughout the EP 100 is to be taken as a reference to a listed BT, listed REIT and/or an entity as the context requires. In the context of a listed BT or listed REIT, the EP 100 shall be read with any modifications necessary for that context, including the following (unless the context otherwise requires):</p> <ul style="list-style-type: none"> • a reference to shares, shareholders, or board of a PIE is to, where appropriate, respectively refer to units, unitholders, or trustee-manager or REIT manager; • a reference to an action taken by a PIE is to refer to an action taken by the trustee-manager (in its capacity as trustee-manager of the

	<p>listed BT), or the trustee (in its capacity as trustee of the listed REIT) or the manager (in its capacity as manager of the listed REIT);</p> <ul style="list-style-type: none"> • a reference to assets owned, controlled or held by a PIE is to refer to assets owned, controlled or held by the trustee-manager (in its capacity as trustee-manager of the listed BT), or the trustee (in its capacity as trustee of the listed REIT). <p><i>Paragraph 400.18 A1 states that the categories set out in paragraph R400.17 (a) to (c) are broadly defined and the Code provides for those bodies responsible for setting ethics standards for professional accountants to explicitly define these categories. This additional SG definition of PIE shall apply in determining whether an entity is a public interest entity or publicly traded entity in the Singapore context.</i></p>
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(Please refer to pages 21 – 22 for mark-up from extant version of EP 100.)

10. Based on the above definition, any entity which falls within the scope of a financial institution, large charity or large institution of a public character as defined in the Glossary of EP 100, or a listed BT or listed REIT, would be treated as a PIE locally.

Effective Date

11. The proposed changes to EP 100 in this ED will be effective for audits and reviews of financial statements for periods beginning on or after 15 December 2024.
12. Early adoption is permitted.

Useful Resource

13. The Staff of IESBA has issued Basis for Conclusions which relate to but does not form part of the PIE final pronouncement. This Basis for Conclusions explain how the IESBA has addressed the significant matters raised on exposure.
14. The Basis for Conclusions relating to the PIE final pronouncement issued in April 2022 may be downloaded from the IESBA website using this [link](#).

**PROPOSED CHANGES TO EP 100
MARK-UP FROM EXTANT VERSION**

SECTION 300

**APPLYING THE CONCEPTUAL FRAMEWORK – PROFESSIONAL
ACCOUNTANTS IN PUBLIC PRACTICE**

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Requirements and Application Material

General

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Evaluating Threats

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300.7 A7 Examples of new information or changes in facts and circumstances that might impact the level of a threat include:

- When the scope of a professional service is expanded.
- When the client becomes a publicly traded entity~~listed entity~~ or acquires another business unit.
- When the firm merges with another firm.
- When the professional accountant is jointly engaged by two clients and a dispute emerges between the two clients.
- When there is a change in the professional accountant's personal or immediate family relationships.

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[Other paragraphs of extant Section 300 remain unchanged.]

SECTION 400

APPLYING THE CONCEPTUAL FRAMEWORK TO INDEPENDENCE FOR AUDIT AND REVIEW ENGAGEMENTS

Introduction

General

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Public Interest Entities

400.8 Some of the requirements and application material set out in this Part ~~reflect the extent of public interest in certain entities which are defined to be~~ are applicable only to the audit of financial statements of public interest entities, reflecting significant public interest in the financial condition of these entities due to the potential impact of their financial well-being on stakeholders. ~~Firms are encouraged to determine whether to treat additional entities, or certain categories of entities, as public interest entities because they have a large number and wide range of stakeholders.~~

400.9 Factors to ~~be considered~~ in evaluating the extent of public interest in the financial condition of an entity include:

- The nature of the business or activities, such as taking on financial obligations to the public as part of the entity's primary business~~the holding of assets in a fiduciary capacity for a large number of stakeholders.~~ Examples might include financial institutions, such as banks and insurance companies, and pension funds.
- Whether the entity is subject to regulatory supervision designed to provide confidence that the entity will meet its financial obligations.
- Size of the entity.
- The importance of the entity to the sector in which it operates including how easily replaceable it is in the event of financial failure
- Number and nature of stakeholders including investors, customers, creditors and employees.
- The potential systemic impact on other sectors and the economy as a whole in the event of financial failure of the entity.

400.10 Stakeholders have heightened expectations regarding the independence of a firm performing an audit engagement for a public interest entity because of the significance of the public interest in the financial condition of the entity. The purpose of the requirements and application material for public interest entities as described in paragraph 400.8 is to meet these expectations, thereby enhancing stakeholders' confidence in the entity's financial statements that can be used when assessing the entity's financial condition.

Reports that Include a Restriction on Use and Distribution

400.119 An audit report might include a restriction on use and distribution. If it does and the conditions set out in Section 800 are met, then the independence requirements in this Part may be modified as provided in Section 800.

Assurance Engagements other than Audit and Review Engagements

400.120 Independence standards for assurance engagements that are not audit or review engagements are set out in Part 4B – *Independence for Assurance Engagements Other than Audit and Review Engagements*.

Requirements and Application Material

General

R400.4113 A firm performing an audit engagement shall be independent.

R400.4214 A firm shall apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence in relation to an audit engagement.

Prohibition on Assuming Management Responsibilities

R400.4315 A firm or a network firm shall not assume a management responsibility for an audit client.

400.43-15 A1 Management responsibilities involve controlling, leading and directing an entity, including making decisions regarding the acquisition, deployment and control of human, financial, technological, physical and intangible resources.

400.43-15 A2 When a firm or a network firm assumes a management responsibility for an audit client, self-review, self-interest and familiarity threats are created. Assuming a management responsibility might also create an advocacy threat because the firm or network firm becomes too closely aligned with the views and interests of management.

400.43-15 A3 Determining whether an activity is a management responsibility depends on the circumstances and requires the exercise of professional judgement. Examples of activities that would be considered a management responsibility include:

- Setting policies and strategic direction.
- Hiring or dismissing employees.
- Directing and taking responsibility for the actions of employees in relation to the employees' work for the entity.
- Authorising transactions.
- Controlling or managing bank accounts or investments.
- Deciding which recommendations of the firm or network firm or other third parties to implement.
- Reporting to those charged with governance on behalf of management.
- Taking responsibility for:
 - The preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
 - Designing, implementing, monitoring or maintaining internal control.

400.43-15 A4 Subject to compliance with paragraph R400.4416, providing advice and recommendations to assist the management of an audit client in discharging its responsibilities is not assuming a management responsibility. The provision of advice and recommendations to an audit client might create a self-review threat and is addressed in Section 600.

R400.4416 When performing a professional activity for an audit client, the firm shall be satisfied that client management makes all judgements and decisions that are the proper responsibility of management. This includes ensuring that the client's management:

- (a) Designates an individual who possesses suitable skill, knowledge and experience to be responsible at all times for the client's decisions and to oversee the activities. Such an individual, preferably within senior management, would understand:

- (i) The objectives, nature and results of the activities; and
- (ii) The respective client and firm or network firm responsibilities.

However, the individual is not required to possess the expertise to perform or re-perform the activities.

- (b) Provides oversight of the activities and evaluates the adequacy of the results of the activities performed for the client's purpose.
- (c) Accepts responsibility for the actions, if any, to be taken arising from the results of the activities.

Public Interest Entities

R400.17 For the purposes of this Part, a firm shall treat an entity as a public interest entity when it falls within any of the following categories:

- (a)** A publicly traded entity;
- (b)** An entity one of whose main functions is to take deposits from the public;
- (c)** An entity one of whose main functions is to provide insurance to the public;
or
- (d)** An entity specified as such by law, regulation or professional standards to meet the purpose described in paragraph 400.10.

400.17 A1 When terms other than public interest entity are applied to entities by law, regulation or professional standards to meet the purpose described in paragraph 400.10, such terms are regarded as equivalent terms. However, if law, regulation or professional standards designate entities as "public interest entities" for reasons unrelated to the purpose described in paragraph 400.10, that designation does not necessarily mean that such entities are public interest entities for the purposes of the Code.

R400.18 In complying with the requirement in paragraph R400.17, a firm shall take into account more explicit definitions established by law, regulation or professional standards for the categories set out in paragraph R400.17 (a) to (c).

400.18 A1 The categories set out in paragraph R400.17 (a) to (c) are broadly defined and no recognition is given to any size or other factors that can be relevant in a specific jurisdiction. The Code therefore provides for those bodies responsible for setting ethics standards for professional accountants to more explicitly define these categories by, for example:

- Making reference to specific public markets for trading securities.
- Making reference to the local law or regulation defining banks or insurance companies.
- Incorporating exemptions for specific types of entities, such as an entity with mutual ownership.
- Setting size criteria for certain types of entities.

400.18 A2 Paragraph R400.17 (d) anticipates that those bodies responsible for setting ethics standards for professional accountants will add categories of public interest entities to meet the purpose described in paragraph 400.10, taking into account factors such as those set out in paragraph 400.9. Depending on the facts and circumstances in a specific jurisdiction, such categories could include:

- Pension funds.
- Collective investment vehicles.
- Private entities with large numbers of stakeholders (other than investors).

- Not-for-profit organizations or governmental entities.
- Public utilities.

400.19 A1 A firm is encouraged to determine whether to treat other entities as public interest entities for the purposes of this Part. When making this determination, the firm might consider the factors set out in paragraph 400.9 as well as the following factors:

- Whether the entity is likely to become a public interest entity in the near future.
- Whether in similar circumstances, a predecessor firm has applied independence requirements for public interest entities to the entity.
- Whether in similar circumstances, the firm has applied independence requirements for public interest entities to other entities.
- Whether the entity has been specified as not being a public interest entity by law, regulation or professional standards.
- Whether the entity or other stakeholders requested the firm to apply independence requirements for public interest entities to the entity and, if so, whether there are any reasons for not meeting this request.
- The entity's corporate governance arrangements, for example, whether those charged with governance are distinct from the owners or management.

Public Disclosure – Application of Independence Requirements for Public Interest Entities

R400.20 Subject to paragraph R400.21, when a firm has applied the independence requirements for public interest entities as described in paragraph 400.8 in performing an audit of the financial statements of an entity, the firm shall publicly disclose that fact in a manner deemed appropriate, taking into account the timing and accessibility of the information to stakeholders.

R400.21 As an exception to paragraph R400.20, a firm may not make such a disclosure if doing so will result in disclosing confidential future plans of the entity.

[Paragraphs 400.15 to 400.19 are intentionally left blank]

Related Entities

R400.202 As defined, an audit client that is a publicly traded entity in accordance with paragraphs R400.17 and R400.18 ~~listed entity~~ includes all of its related entities. For all other entities, references to an audit client in this Part include related entities over which the client has direct or indirect control. When the audit team knows, or has reason to believe, that a relationship or circumstance involving any other related entity of the client is relevant to the evaluation of the firm's independence from the client, the audit team shall include that related entity when identifying, evaluating and addressing threats to independence.

[Paragraphs 400.21-23 to 400.29 are intentionally left blank]

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[Other paragraphs of extant Section 400 remain unchanged.]

SECTION 410

FEES

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Transparency of Information Regarding Fees for Audit Clients that are Public Interest Entities

Communication About Fee-related Information with Those Charged with Governance

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Fees for Other Services

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Audit Clients that are Listed-Publicly Traded Entities, Listed Business Trusts (BT) and Listed Real Estate Investment Trusts (REIT)

SG410.27A Where an audit client is a listed-publicly traded entity, listed BT or listed REIT, and the amount of annual fees received and to be received by the firm or its network firms for services other than audit (“such fees”) compared to the total annual audit fees from the audit client is 50% or more, the firm shall disclose to those charged with governance of the audit client to whom the firm is expressing the opinion on the financial statements the fact that the total of such fees represent 50% or more of total annual audit fees received and to be received by the firm or its network firms and discuss the safeguards it will apply to reduce the threat to an acceptable level.

For this purpose:

- (a) such fees shall only include fees charged to the client and its related entities over which the client has direct or indirect control; and
- (b) such fees shall not include the fees received and to be received for audit-related services as defined in the Glossary.

Example of a safeguard that could be considered and applied is having an appropriate reviewer who was not involved in the audit or the service other than audit review the relevant audit work.

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[Other paragraphs of extant Section 410 remain unchanged.]

SECTION 600

PROVISION OF NON-ASSURANCE SERVICES TO AN AUDIT CLIENT

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Requirements and Application Material

General

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Risk of Assuming Management Responsibilities when Providing a Non-Assurance Service

600.7 A1 When a firm or a network firm provides a non-assurance service to an audit client, there is a risk that the firm or network firm will assume a management responsibility unless the firm or network firm is satisfied that the requirements in paragraph R400.~~14-16~~ have been complied with.

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Identifying and Evaluating Threats

All Audit Clients

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600.9 A2 Factors that are relevant in identifying the different threats that might be created by providing a non-assurance service to an audit client, and evaluating the level of such threats include:

- The nature, scope, intended use and purpose of the service.
- The manner in which the service will be provided, such as the personnel to be involved and their location.
- The legal and regulatory environment in which the service is provided.
- Whether the client is a public interest entity.
- The level of expertise of the client's management and employees with respect to the type of service provided.
- The extent to which the client determines significant matters of judgement. (Ref: Para. R400.~~13-15~~ to R400.4416).
- Whether the outcome of the service will affect the accounting records or matters reflected in the financial statements on which the firm will express an opinion, and, if so:
 - The extent to which the outcome of the service will have a material effect on the financial statements.
 - The degree of subjectivity involved in determining the appropriate amounts or treatment for those matters reflected in the financial statements.
- The nature and extent of the impact of the service, if any, on the systems that generate information that forms a significant part of the client's:
 - Accounting records or financial statements on which the firm will express an opinion.
 - Internal controls over financial reporting.
- The degree of reliance that will be placed on the outcome of the service as part of the audit.
- The fee relating to the provision of the non-assurance service.

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Providing Advice and Recommendations

R600.17 As an exception to paragraph R600.16, a firm or a network firm may provide advice and recommendations to an audit client that is a public interest entity in relation to information or matters arising in the course of an audit provided that the firm:

- (a) Does not assume a management responsibility (Ref: Para. R400.~~13-15~~ and R400.~~14-16~~); and
- (b) Applies the conceptual framework to identify, evaluate and address threats, other than self-review threats, to independence that might be created by the provision of that advice.

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Considerations for Certain Related Entities

R600.26 This section includes requirements that prohibit firms and network firms from providing certain non-assurance services to audit clients. As an exception to those requirements and the requirement in paragraph R400.~~13-15~~, a firm or a network firm may assume management responsibilities or provide certain non-assurance services that would otherwise be prohibited to the following related entities of the client on whose financial statements the firm will express an opinion:

- (a) An entity that has direct or indirect control over the client;
- (b) An entity with a direct financial interest in the client if that entity has significant influence over the client and the interest in the client is material to such entity; or
- (c) An entity which is under common control with the client,
provided that all of the following conditions are met:
 - (i) The firm or a network firm does not express an opinion on the financial statements of the related entity;
 - (ii) The firm or a network firm does not assume a management responsibility, directly or indirectly, for the entity on whose financial statements the firm will express an opinion;
 - (iii) The services do not create a self-review threat; and
 - (iv) The firm addresses other threats created by providing such services that are not at an acceptable level.

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[Other paragraphs of extant Section 600 remain unchanged.]

SUBSECTION 601 – ACCOUNTING AND BOOKKEEPING SERVICES

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Requirements and Application Material

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Potential Threats Arising from the Provision of Accounting and Bookkeeping Services

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Audit Clients that are Not Public Interest Entities

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601.5 A2 Examples of services that might be regarded as routine or mechanical include:

- Preparing payroll calculations or reports based on client-originated data for approval and payment by the client.
- Recording recurring transactions for which amounts are easily determinable from source documents or originating data, such as a utility bill where the client has determined or approved the appropriate account classification.
- Calculating depreciation on fixed assets when the client determines the accounting policy and estimates of useful life and residual values.
- Posting transactions coded by the client to the general ledger.
- Posting client-approved entries to the trial balance.
- Preparing financial statements based on information in the client-approved trial balance and preparing related notes based on client-approved records.

The firm or a network firm may provide such services to audit clients that are not public interest entities provided that the firm or network firm complies with the requirements of paragraph R400.~~14-16~~ to ensure that it does not assume a management responsibility in connection with the service and with the requirement in paragraph R601.5 (b).

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[Other paragraphs of extant Subsection 601 remain unchanged.]

SUBSECTION 605 – INTERNAL AUDIT SERVICES

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Requirements and Application Material

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Risk of Assuming Management Responsibility When Providing an Internal Audit Service

R605.3 Paragraph R400.~~43~~-15 precludes a firm or a network firm from assuming a management responsibility. When providing an internal audit service to an audit client, the firm shall be satisfied that:

- (a) The client designates an appropriate and competent resource, who reports to those charged with governance to:
 - (i) Be responsible at all times for internal audit activities; and
 - (ii) Acknowledge responsibility for designing, implementing, monitoring and maintaining internal control;
- (b) The client reviews, assesses and approves the scope, risk and frequency of the internal audit services;
- (c) The client evaluates the adequacy of the internal audit services and the findings resulting from their performance;
- (d) The client evaluates and determines which recommendations resulting from internal audit services to implement and manages the implementation process; and
- (e) The client reports to those charged with governance the significant findings and recommendations resulting from the internal audit services.

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[Other paragraphs of extant Subsection 605 remain unchanged.]

SUBSECTION 606 – INFORMATION TECHNOLOGY SYSTEMS SERVICES

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Requirements and Application Material

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Risk of Assuming Management Responsibility When Providing an IT Systems Service

R606.3 Paragraph R400.~~43~~-15 precludes a firm or a network firm from assuming a management responsibility. When providing IT systems services to an audit client, the firm or network firm shall be satisfied that:

- (a) The client acknowledges its responsibility for establishing and monitoring a system of internal controls;
- (b) The client assigns the responsibility to make all management decisions with respect to the design and implementation of the hardware or software system to a competent employee, preferably within senior management;
- (c) The client makes all management decisions with respect to the design and implementation process;
- (d) The client evaluates the adequacy and results of the design and implementation of the system; and
- (e) The client is responsible for operating the system (hardware or software) and for the data it uses or generates.

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[Other paragraphs of extant Subsection 606 remain unchanged.]

SUBSECTION 609 – RECRUITING SERVICES

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Requirements and Application Material

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Risk of Assuming Management Responsibility When Providing a Recruiting Service

R609.3 Paragraph R400.~~43~~-15 precludes a firm or a network firm from assuming a management responsibility. When providing a recruiting service to an audit client, the firm shall be satisfied that:

- (a) The client assigns the responsibility to make all management decisions with respect to hiring the candidate for the position to a competent employee, preferably within senior management; and
- (b) The client makes all management decisions with respect to the hiring process, including:
 - Determining the suitability of prospective candidates and selecting suitable candidates for the position.
 - Determining employment terms and negotiating details, such as salary, hours and other compensation.

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[Other paragraphs of extant Subsection 606 remain unchanged.]

GLOSSARY, INCLUDING LISTS OF ABBREVIATIONS

In the *Code of Professional Conduct and Ethics*, the singular shall be construed as including the plural as well as the reverse, and the terms below have the following meanings assigned to them.

In this Glossary, explanations of defined terms are shown in regular font; italics are used for explanations of described terms which have a specific meaning in certain parts of the Code or for additional explanations of defined terms. References are also provided to terms described in the Code.

Audit client	<p>An entity in respect of which a firm conducts an audit engagement. When the client is a <u>publicly traded entity in accordance with paragraphs R400.17 and R400.18</u>listed entity, audit client will always include its related entities. When the audit client is not a <u>publicly traded entity</u>listed entity, audit client includes those related entities over which the client has direct or indirect control. (See also paragraph R400.29.)</p> <p>In Part 4A, the term “audit client” applies equally to “review client.”</p>
Financial institution	<p>A financial institution is any of the following:</p> <ul style="list-style-type: none"> (a) a bank that holds a valid licence under section 7 or 79 of the Banking Act (Cap. 19); (b) a corporation that — <ul style="list-style-type: none"> (i) is a merchant bank or any other financial institution approved under section 28 of the Monetary Authority of Singapore Act (Cap. 186); or (ii) holds a merchant bank licence, or is treated as having been granted a merchant bank licence, under the Banking Act; (c) a trustee-manager of a business trust registered under section 4 of the Business Trusts Act (Cap. 31A) where the units of the business trust are listed for quotation on an approved exchange as defined in section 2(1) of the Securities and Futures Act (Cap. 289); (d) a licensed credit bureau as defined in section 2 of the Credit Bureau Act 2016 (Act 27 of 2016); (e) a finance company licensed under section 6 of the Finance Companies Act (Cap. 108); (f) a financial adviser licensed under section 13 of the Financial Advisers Act (Cap. 110); (g) a designated financial holding company as defined in section 2(1) of the Financial Holding Companies Act 2013 (Act 13 of 2013); (h) an authorised reinsurer as defined in section 1A of the Insurance Act (Cap. 142); (i) a licensed insurer as defined in section 1A of the Insurance Act; (j) a registered insurance broker as defined in section 1A of the Insurance Act; (k) a member of Lloyd’s as defined in regulation 2 of the Insurance (Lloyd’s Asia Scheme) Regulations (Cap. 142, Rg 9) that is

	<p>permitted to carry on any insurance business specified in the First Schedule to those Regulations in accordance with regulation 3 of those Regulations;</p> <ul style="list-style-type: none"> (l) an operator of a payment system that is designated as a designated payment system under section 42 of the Payment Services Act 2019 (Act 2 of 2019); (m) a major payment institution as defined in section 2(1) of the Payment Services Act 2019; (n) a settlement institution of a payment system that is designated as a designated payment system under section 42 of the Payment Services Act 2019; (o) a standard payment institution as defined in section 2(1) of the Payment Services Act 2019; (p) an authorised benchmark administrator as defined in section 2(1) of the Securities and Futures Act; (q) any of the following capital market infrastructure providers: <ul style="list-style-type: none"> (i) an approved clearing house as defined in section 2(1) of the Securities and Futures Act; (ii) an approved exchange as defined in section 2(1) of the Securities and Futures Act; (iii) an approved holding company as defined in section 2(1) of the Securities and Futures Act; (iv) a recognised clearing house as defined in section 2(1) of the Securities and Futures Act; (v) a recognised market operator as defined in section 2(1) of the Securities and Futures Act; (r) the Depository as defined in section 81SF of the Securities and Futures Act; (s) an exempt benchmark administrator as defined in section 2(1) of the Securities and Futures Act; (t) a holder of a capital markets services licence granted under section 86 of the Securities and Futures Act; (u) a licensed trade repository as defined in section 2(1) of the Securities and Futures Act; (v) a trustee for a collective investment scheme authorised under section 286 of the Securities and Futures Act, that is approved under section 289 of that Act; (w) a Registered Fund Management Company as defined in regulation 2 of the Securities and Futures (Licensing and Conduct of Business) Regulations (Cap. 289, Rg 10); (x) a licensed trust company as defined in section 2 of the Trust Companies Act (Cap. 336).
Large charity	An entity that is defined as a large charity in the Charities (Large Charities) Regulations (Cap. 37, Rg 9).

Large institution of a public character	An entity that is defined as a large institution of a public character in the Charities (Institutions of a Public Character) Regulations (Cap. 37, Rg 5).
Listed entity	An entity whose shares, stock or debt are quoted or listed on a recognised stock exchange, or are marketed under the regulations of a recognised stock exchange or other equivalent body.
Public interest entity	<p>(a) — A listed entity; or</p> <p>(b) — An entity:</p> <p>(i) — Defined by regulation or legislation as a public interest entity; or</p> <p>(ii) — For which the audit is required by regulation or legislation to be conducted in compliance with the same independence requirements that apply to the audit of listed entities. Such regulation might be promulgated by any relevant regulator, including an audit regulator.</p> <p>Other entities might also be considered to be public interest entities, as set out in paragraph 400.8.</p> <p><u>For the purposes of Part 4A, an entity is a public interest entity when it falls within any of the following categories:</u></p> <p><u>(a) A publicly traded entity;</u></p> <p><u>(b) An entity one of whose main functions is to take deposits from the public;</u></p> <p><u>(c) An entity one of whose main functions is to provide insurance to the public; or</u></p> <p><u>(d) An entity specified as such by law, regulation or professional standards to meet the purpose described in paragraph 400.10.</u></p> <p><u>The Code provides for the categories to be more explicitly defined or added to as described in paragraphs 400.18 A1 and 400.18 A2.</u></p>
<u>Publicly traded entity</u>	<p><u>An entity that issues financial instruments that are transferrable and traded through a publicly accessible market mechanism, including through listing on a stock exchange.</u></p> <p><u>A listed entity as defined by relevant securities law or regulation is an example of a publicly traded entity.</u></p>
Note: Additional SG definition of “Public interest entity” <u>(PIE)</u>	<p><u>For the purposes of sub-paragraph (a):</u></p> <p><u>(a) A publicly traded entity is defined as any listed entity, regardless of country of incorporation of that entity or location of securities exchange where that entity’s debt or equity instruments are traded.</u></p> <p><u>For the purposes of sub-paragraph (b)(i)(d), an entity specified by law, regulation or professional standards to be a public interest entity means —would include the following:</u></p> <p><u>(a) Any entity that is listed or is in the process of issuing its debt or equity instruments for trading on a securities exchange in Singapore;</u></p>

	<p>(b) Any entity that is incorporated in Singapore and the securities of which are listed on a securities exchange outside Singapore; or</p> <p>(eb) Any financial institution.</p> <p>For the purposes of sub-paragraph (b)(ii), A firm shall apply the independence requirements for public interest entities to the audit of the financial statements of large charities and large institutions of a public character shall be conducted in compliance with the same independence requirements that apply to the audit of listed entities.</p> <p>A firm shall apply the independence requirements for public interest entities to the audit of the financial statements of listed business trusts (BT) and listed real estate investment trusts (REIT), regardless of country of constitution or location where units in the relevant listed BT or relevant listed REIT are traded. References to PIE throughout the EP 100 is to be taken as a reference to a listed BT, listed REIT and/or an entity as the context requires. In the context of a listed BT or listed REIT, the EP 100 shall be read with any modifications necessary for that context, including the following (unless the context otherwise requires):</p> <ul style="list-style-type: none"> • a reference to shares, shareholders, or board of a PIE is to, where appropriate, respectively refer to units, unitholders, or trustee-manager or REIT manager; • a reference to an action taken by a PIE is to refer to an action taken by the trustee-manager (in its capacity as trustee-manager of the listed BT), or the trustee (in its capacity as trustee of the listed REIT) or the manager (in its capacity as manager of the listed REIT); • a reference to assets owned, controlled or held by a PIE is to refer to assets owned, controlled or held by the trustee-manager (in its capacity as trustee-manager of the listed BT), or the trustee (in its capacity as trustee of the listed REIT). <p>Paragraph 400.18 A1 states that the categories set out in paragraph R400.17 (a) to (c) are broadly defined and the Code provides for those bodies responsible for setting ethics standards for professional accountants to explicitly define these categories. This additional SG definition of PIE shall apply in determining whether an entity is a public interest entity or publicly traded entity in the Singapore context.</p>
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[Other defined/described terms and abbreviations used in the extant “Glossary, including Lists of Abbreviations” remain unchanged.]

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