



CHARTERED
SECRETARIES
特許秘書

The Hong Kong Institute of Chartered Secretaries

Submission:

Exposure Draft on Proposed Revisions to the Definitions of Listed Entity and Public Interest Entity in the Code

The Hong Kong Institute of Chartered Secretaries 香港特許秘書公會

(Incorporated in Hong Kong with limited liability by guarantee)

3/F, Hong Kong Diamond Exchange Building, 8 Duddell Street, Central, Hong Kong

Tel: (852) 2881 6177 Fax: (852) 2881 5050 E-mail: ask@hkics.org.hk Website: www.hkics.org.hk

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By Email Only: KenSiong@ethicsboard.org

International Ethics Standards Board for Accountants
529 5th Avenue
New York
New York 10017
United States

Dear Sirs

Exposure Draft on Proposed Revisions to the Definitions of Listed Entity and Public Interest Entity in the Code ('Exposure Draft')

Terms and expressions used in this letter shall have the meanings set out under the Exposure Draft unless the context requires otherwise.

About HKICS

The Hong Kong Institute of Chartered Secretaries (the Institute) is an independent professional institute representing Chartered Secretaries and Chartered Governance Professionals as governance professionals in Hong Kong and the Mainland of China (the Mainland) with over 6,000 members and 3,200 students. The Institute originates from The Chartered Governance Institute in the United Kingdom with nine (9) divisions and over 30,000 members and 10,000 students internationally. The Institute is also a Founder Member of Corporate Secretaries International Association Limited (CSIA), an international organisation comprising fourteen (14) national member organisations to promote good governance globally.

General Support

From the applied governance perspective, our Institute supports the International Ethics Standards Board for Accountant's (IESBA's) belief that the proposals under the Exposure Draft, as refined at the local level, will capture as PIEs those entities whose financial condition draws significant public interest, thereby enhancing public confidence in the audits of their financial statements through additional independence requirements, including those recently approved by the IESBA under Non-assurance Services (NAS) and Fees projects in December 2020.

Further, the proposed amendments to the Code, do appear to implement IESBA's belief to contribute to confidence in financial statements in respect of PIEs, and accordingly in good governance. While we have no specific concerns with the proposed revisions to the Code, the detailed workings and nuances of the proposed amendments are best left to the audit profession at the local and international levels. In any event, please note our Institute's support for the general work and directions of the Code revisions to reduce systemic risks, which again is in good governance.

Should you have any questions, please feel free to contact Ellie Pang, Chief Executive, HKICS or Mohan Datwani FCG(CS, CGP) FCS(CS, CGP)(PE), Deputy Chief Executive, HKICS at 2881 6177 or research@hkics.org.hk.

Yours sincerely

For and on behalf of
The Hong Kong Institute of Chartered Secretaries



Gillian Meller FCG(CS, CGP) FCS(CS, CGP)
President