THE INTERNATIONAL ETHICS STANDARDS BOARD FOR ACCOUNTANTS (IEBSA) CODE OF ETHICS FOR PROFESSIONAL ACCOUNTANTS (IEBSA Code)

In Section 290.25 defines Public Interest Entities as follows:

Public Interest Entities

1. All listed entities, and
2. An entity:
   a. Defined by regulation or legislation as a public interest entity; or
   b. For which the audit is required by regulation or legislation to be conducted in accordance with the same independence requirements that shall apply to the audit of listed entities. Such regulation may be promulgated by any relevant regulator including an audit regulator.

Firms and other member bodies 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. Factors to be considered include:

- The nature of the business, such as the holding of assets in a fiduciary capacity for a large number of stakeholders. Examples may include financial institutions such as banks, insurance companies and pension funds;
- Size, and
- Number of employees.

The Council of ICATT, in its role as an audit regulator, considered the above and on July 11th, 2017 approved the following definition of Public Interest Entities for Trinidad & Tobago.

A Public Interest Entity is defined as an entity incorporated or registered in Trinidad and Tobago with any of the following characteristics:

(i) its securities are listed on the Trinidad and Tobago Stock Exchange;
(ii) its debt or equity instruments are traded in a public market (e.g. a local, regional or international stock exchange) and/or have instruments registered with the Trinidad and Tobago Securities of Exchange Commission;
(iii) it is regulated by the Central Bank of Trinidad and Tobago and/or designated as a Systemically Important Financial Institution (SIFI);
(iv) it is a credit union;
(v) it is ultimately controlled by the State (i.e. Government of the Republic of Trinidad and Tobago).

Note: The term “entity” in this definition is not restricted to a company, and is meant to include other forms of legal entity, for example mutual funds, pension funds and trusts.
Entities that meet the definition of a Public Interest Entity are subject to the rotation requirements in Section 290.149 to 290.152 of the IEBSA Code. Section 290.153 permits an independent Regulator to provide an exemption from partner rotation subject to certain safeguards.

On July 11th, 2017, the Council of ICATT approved the following exemption:

**Long Association of Senior Personnel (Including Partner Rotation) with an Audit Client**

When a firm has only a few people with the necessary knowledge, industry expertise and experience to serve as a key audit partner on the audit of a public interest entity, rotation of key audit partners may not be an available safeguard. ICATT shall provide an exemption from partner rotation in such circumstances. An individual may therefore remain a key audit partner for more than seven years’ subject to the firm or practitioner complying with all of the following minimum safeguards:

1. The key audit partner is subject to periodic review in accordance with ICATT’s practice monitoring programme and receives satisfactory results;
2. The audit engagement is subject to an independent external review by a suitably qualified practitioner; and
3. The matter is communicated and agreed with the audit client’s decision-makers (e.g. audit committee or Board of Directors as appropriate).

A suitably qualified practitioner is a person who holds an accounting qualification recognized by ICATT and is a practicing member licensed to conduct audits in good standing with ICATT or similar accounting regulator in another jurisdiction. A suitably qualified practitioner in another jurisdiction, but from the same network firm as the key audit partner, is not precluded from conducting the independent external review.

**Effective Date**

This definition of a Public Interest Entity and the long association for senior personnel exemption shall become effective for audits of financial statements for periods beginning on or after December 15th, 2017.