

**Summary of the meetings of the Regulatory Standards & Codes Committee (the 'Committee')
held on 28 March and 27 April 2023 at FRC, 125 London Wall,
London EC2Y 5AS**

MEMBERS:	Hannah Nixon	Chair
	John Coomber	Committee member
	Clare Thompson	Committee member
	Ashley Fox	Committee Member
 ADVISORS:	 Howard Walpole	 Senior Advisor
	Paul Cox	Senior Advisor
	Richard Lawrence	Senior Advisor

PRELIMINARIES:

1. No new declarations of interests were made by those present.
2. The Committee approved the minutes of its meetings held on 25 January and 28 March 2023.

APPROVALS

3. FRED 83 Draft Amendments to FRS 102 and FRS 101 – Pillar Two Model Rules

The Committee considered and approved the proposal to consult on urgent amendments to the FRC's financial reporting standards that would introduce a temporary exception to the accounting for deferred taxes arising from the implementation of the OECD Pillar Two model rules, alongside targeted disclosure requirements.

4. Consultation on Revised Technical Standards – Pensions

The Committee discussed and approved the proposal to consult on changes to TAS 300 relating to actuarial factors and to bulk transfers to insurers and pension superfunds, to reflect developments in the pension market since 2016, and to introduce TAS310 relating to Collective Money Purchase (CMP) pension schemes.

5. Taxonomies Workplan

The Committee considered and approved the annual workplan recommended by the Technical Task Force and Governance Committee.

6. Consultation on Revisions to the UK Corporate Governance Code

The Committee had a detailed discussion on the draft consultation on revisions to the UK Corporate Governance Code. The revision to the Code is aimed at responding to the Government's White Paper 'Restoring Trust in Audit and Corporate Governance, findings of the annual monitoring process and potential areas identified by the FRC.

Feedback Statement and Final Standard – Minimum Standard for Audit Committees

7. The Committee discussed and agreed to recommend to the FRC Board for approval, the publication of the Audit Committee Minimum Standard: Feedback Statement and Impact Assessment and Audit Committees and the External Audit: Minimum Standard'.

Annual Review of FRS 101 – Reduced Disclosure Framework

8. The Committee agreed that no amendments were required to FRS 101 in the 2022/23 cycle and approved the publication of *Amendments to Basis for Conclusions – FRS 101 reduced*

Disclosure Framework – 2022/23 cycle and the associated Feedback Statement and Impact Assessment.

9. Consultation on Revisions to ISA (UK) 505 - External Confirmations

The Committee received a paper outlining the proposed revisions to ISA (UK) 505. It is expected that the revisions will improve the quality of audit engagements by addressing key public interests matters, whilst at the same time maintain equivalence with the IASSB’s international standard.

Following discussion, the Committee approved the exposure draft of ISA (UK) 505 and the Invitation to comment.

NOTED ITEMS

10. Competition Policy Paper

The Committee noted the update on FRC Competition Policy detailing stakeholders’ responses to the Competition Policy paper (December 2022) and the Competition Policy Team’s recent and future work.

11. Sustainability – related reporting update

The Committee welcomed the update regarding international sustainability standards and the UK’s plans to endorse and adopt these standards, including the FRC’s role in the process.

12. Report of the Executive Director, Regulatory Standards

The Executive Director, Regulatory Standards provided an overview of the work of the Division since the last meeting:

Key highlights from the report included:

International Engagement

- a. That there has been growing interest by overseas stakeholders in the FRC’s plans to revise the UK Corporate Governance Code.
- b. At the International Corporate Governance Network’s (ICGN) conference, there was particular interest in the level of take up for the revised Stewardship Code and how the FRC proposes to continue to develop the Code so that it addresses stakeholder needs.
- c. An update from the IESBA March meeting included the Board’s work on developing sustainability standards for incorporation in the Code and how the Code is updated to deal with a more diverse ranges of experts that the work brings with it; an announcement made by the Abu Dhabi Accountability Authority (ADAA) that they have adopted the Code for use from the end of 2023 and the establishment of the International Foundation for Ethics and Audit which creates an independent foundation to contain, fund and oversee IESBA and the IAASB.
- d. Highlights from the IAASB March meeting included updates from the Going Concern Task Force, Sustainability Assurance Task Force and the Less Complex Entities Task Force.

Market Capacity

- e. That FRC continue to work with DBT to resolve cases where a company is having problems appointing an auditor or running a successful tender.

The date of the next meeting was noted as 12 June 2023