

2022

Consultation Paper

Proposal to adopt Standards for Investment Reporting (Ireland)

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Mission

To contribute to Ireland having a strong regulatory environment in which to do business by supervising and promoting high quality financial reporting, auditing and effective regulation of the accounting profession in the public interest.

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1. Summary

The purpose of this consultation paper is to obtain stakeholders' views about IAASA's proposal to adopt Standards for Investment Reporting (Ireland) ('SIRs (Ireland)').

The SIRs (Ireland) will set requirements and provide guidance for reporting accountants performing engagements in connection with an investment circular in Ireland. It is proposed to issue the six SIRs (Ireland) listed below.

1. SIR (Ireland) 1000 – Investment Reporting Standards Applicable to all Engagements in Connection with an Investment Circular
2. SIR (Ireland) 2000 – Investment Reporting Standards Applicable to Public Reporting Engagements on Historical Financial Information
3. SIR (Ireland) 3000 – Investment Reporting Standards Applicable to Public Reporting Engagements on Profit Forecasts
4. SIR (Ireland) 4000 – Investment Reporting Standards Applicable to Public Reporting Engagements on Pro Forma Financial Information
5. SIR (Ireland) 5000 – Investment Reporting Standards Applicable to Public Reporting Engagements on Financial Information Reconciliations under the Listing Rules
6. SIR (Ireland) 6000 – Investment Reporting Standards Applicable to Public Reporting Engagements on Quantified Financial Benefits Statements

The proposed effective date of the SIRs (Ireland) is for reporting accountant engagements commencing on or after 15 September 2022, with early adoption permitted.

2. Background

Up to now, engagements relating to investment circulars in Ireland have been carried out in accordance with the SIRs issued by the Financial Reporting Council ('FRC') in the UK. Following public consultation, in March 2020 the FRC issued revised SIRs, details of which can be found [here](#).

The revised FRC standards are effective for reporting accountant engagements in the UK commencing on or after 15 September 2020. They reflect current auditing and assurance standards as well as the requirements of the EU prospectus regulations. They also have been tailored to reflect UK law and regulations. Therefore, in the absence of action by IAASA, Ireland will move from a position of having accepted standards used by reporting accountants to a situation where there will be a lack of clarity as to which standards, if any, are applicable when performing engagements in connection with investment circulars in Ireland. Over time, this may lead to inconsistencies in approach between firms.

One of IAASA's principal objects is to promote adherence to high professional standards in the accountancy profession. IAASA considers that it is in the public interest that we have a suite of standards tailored for reporting accountants undertaking engagements in connection with investment circulars governed by Irish law and regulations. This will ensure that there is a high quality, consistent approach across the market. Given that the SIRs (Ireland) will apply primarily to public interest entities, the need for clarity, quality and consistency is all the more significant.

Therefore, IAASA proposes to adapt the FRC's revised SIRs for use in Ireland. In line with IAASA policy, it is intended to adopt the standards with amendments limited to where:

- There is a conflict with Irish or EU law or regulations; or
- There are distinct differences between the Irish and UK markets which impact on the applicability of a standard in Ireland.

The proposed SIRs (Ireland) will set out the standards which reporting accountants will be required to follow when carrying out engagements in connection with Irish regulated investment circulars. In addition to public reporting engagements on published financial information, such engagements include private reporting, for example working capital statements. SIR (Ireland) 1000 contains the basic principles and procedures for all relevant engagements. SIRs (Ireland) 2000 to 6000 provide additional principles and procedures for specific types of public reporting.

3. How the standards were adapted

A working group with technical expertise was established to support IAASA's project to adapt the SIRs issued by the FRC for use in Ireland. IAASA also engaged with its Technical Advisory Panel, the Central Bank, the Irish Stock Exchange and the Takeover Panel on the draft SIRs (Ireland).

All of the SIRs issued by the FRC were reviewed in detail and, where considered appropriate, amendments were made to tailor the provisions of the proposed SIRs (Ireland) to reflect Irish law and regulations.

4. Matters on which IAASA is consulting

Set out below are a number of matters on which IAASA is seeking views by 5pm on **Friday 15 April 2022**.

No.	Matter on which views are sought
1.	<p>Do you agree that it is in the public interest that IAASA adopts the SIRs (Ireland)?</p> <p>If not, please give your reasons and describe any alternatives that you wish IAASA to consider.</p>
2.	<p>Do you agree that a reporting accountant performing an engagement involving an investment circular should be required to comply with the relevant ethical code of the recognised accountancy body of which the reporting accountant is a member (SIR (Ireland) 1000.4)?</p> <p>If not, please give your reasons and state what alternative ethical provisions you consider to be appropriate.</p>
3.	<p>In the context of IAASA's policy to make minimal amendments to the UK standards, are there any provisions in the proposed SIRs (Ireland) that conflict with Irish or EU law?</p> <p>If so, please:</p> <ul style="list-style-type: none"> • Identify the relevant legal provisions • Give reasons for your view • Describe how you believe these matters should be addressed in the SIRs (Ireland)
4.	<p>In the context of IAASA's policy to make minimal amendments to the UK standards, are there any areas where there are distinct differences between the Irish and UK markets which would impact on the applicability of the proposed standards in Ireland?</p> <p>If so, please:</p>

<ul style="list-style-type: none"> • Give your reasons • Identify the market sectors, entities etc. in Ireland impacted by the proposed standard • Describe how you believe these matters should be addressed in the SIRs (Ireland) <p>5. Is the proposed effective date, i.e. for reporting accountant engagements commencing on or after 15 September 2022, appropriate?</p> <p>If not, please give reasons and indicate the effective date that you would consider appropriate.</p>

5. Making your submission

IAASA invites comments on the proposed adoption of the Standards for Investment Reporting (Ireland). In particular, comments are sought on the matters set out in section 4.

Comments are most helpful if they:

- a. Respond directly to the question asked
- b. Provide a clear rationale for your position
- c. Provide evidence supporting your views
- d. Describe in detail any alternative options you wish IAASA to consider

Please send your response to submissions@iaasa.ie by **5pm on Friday 15 April 2022**.

IAASA will consider all responses from identifiable individuals and organisations that are received by this deadline.

IAASA may publish a feedback statement summarising the content of the responses. Responses may also be published in full or in part and attributed to respondents.



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