I. Objective of Agenda Item

1. To receive a progress update on the development of the eCode, including a presentation from the developer.

II. Working Group

2. The Working Group (WG) comprises:
   - Don Thomson, Chair
   - Brian Friedrich, IESBA Member
   - Liesbet Haustermans, IESBA Member
   - Andrew Pinkney, IESBA Technical Advisor

3. An external developer has been engaged to progress the development of the eCode. The developer has built a team of experts with diverse skills sets, including user experience design, information architecture, and web application development to collaboratively deliver an impactful tool that will transform how professional accountants use the Code.

III. Background

4. The eCode initiative is a pre-existing Board commitment as described in the IESBA’s Consultation Paper, *Proposed Strategy and Work Plan 2019-2023 — Elevating Ethics in a Dynamic and Uncertain World* which was out for comment until July 16, 2018. The IESBA established the eCode WG in December 2017.

5. With the release of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("the revised and restructured Code" or "the Code"), the IESBA is committed to taking steps to support the Code’s adoption and effective implementation. The eCode is an innovative way to enhance access to and use of the Code and to respond to stakeholders’ requests for tools aimed at facilitating learning, compliance and enforcement of the Code.

6. The eCode software is intended to provide an enhanced and more effective user experience for both new and infrequent users, as well as experienced ones. It is envisaged that the eCode will help users better navigate and use the provisions in the Code in a manner that reinforces the Code’s “building blocks” structure and scalability – including the interplay between the overarching requirements in
Part 1\(^1\) as well as the general and topic-specific provisions included in the other parts and sections of the Code.

IV. Activities since the June 2018 Meeting

7. The WG held a physical two-day meeting in July/August and two teleconferences to provide input on the eCode prototype\(^2\) and develop the materials for this meeting. The developer participated in the WG’s meeting and teleconferences and received specific input from WG members to assist in the development of the design, functional elements, and features in the prototype.

V. Format of the Board Discussion

8. The Chair of the WG will introduce the topic and invite the developer to present the eCode prototype during the first half of the session. The remainder of the session will be focused on discussing the issues in the Matters for Consideration section of this paper.

9. Although the eCode is in the early stages of development and a number of the functional elements and features are still evolving, the developer’s presentation will illustrate some of the key design elements, features and functionalities. After the developer’s presentation, Board members will be provided an opportunity to ask questions and make suggestions, which the WG will consider as inputs to progress its work.

10. The Board will be provided an opportunity to review a more progressed version of the product in due course and will receive another update in December 2018.

VI. Overview of eCode Initiative

11. The eCode initiative involves an exploration of how best to leverage existing technologies to enhance the functionality, ease of access and navigability of the Code in a digital manner.

12. The IESBA website currently includes an HTML version\(^3\) of the 2016 Handbook of the Code of Ethics for Professional Accountants (the “2016 web-based Code”) which is the text of the extant Code. The HTML version was launched in 2014 and was a first step towards utilizing technology to deliver the Code and supporting resources in a digital manner.

13. The eCode will replace the 2016 HTML version of the Code\(^4\) and:
   - Illustrate the structure and content of the Code in a more dynamic and interactive manner, thereby clarifying how the provisions in the revised and restructured Code should be applied,

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\(^1\) Part 1 – Complying with the Code, Fundamental Principles and Conceptual Framework
\(^2\) A prototype is a preliminary model of something from which other forms are developed.
\(^3\) The key features of the current HTML version of the Code are that it provides users the ability to:
   - Find relevant pages and sections using a powerful keyword search;
   - Display definitions of key terms within the text;
   - Navigate sequentially or by using the interactive table of contents; and
   - Access previous editions and links to translations, most of which are hosted on third-party sites.
\(^4\) The eCode is not intended to replace the traditional print version of the Code at this time.
in particular, in circumstances where both general and topic-specific provisions apply. This will involve the use of filters, expandable content, pop-ups, etc.

- Have the “look and feel of an App” so that it can be accessed on desktops and mobile devices with a user-friendly experience on all screen sizes and faster loading time as users navigate through the Code.
- Use graphics and other digital features to operationalize the Guide to the Code.
- Better link resources and tools (e.g., Staff Publications, including Q&As) to the relevant provisions in the Code.
- Provide users more options for basic and advance searches.
- Have features designed to facilitate the sharing and bookmarking of specific passages in the Code that are particularly relevant to a user’s work.

14. It is envisioned that the first phase of the eCode will emphasize how the Code should be used by all professional accountants. In particular, it will guide users through the material in the Code based on the provisions that apply to them based on whether they are: (i) PAIBs; (ii) PAPPs; or (iii) PAPPs who provide services for which they are required to be independent.

15. The WG notes that it will be important to consider that a professional accountant’s role in an organization may change, which might alter the nature of the activities and services they perform and impact how they use the provisions in the Code.

VII. Matters for Consideration

Access to IESBA Publications

16. Feedback about the current HTML version of the Code is limited. It appears that some stakeholders, including firms and the IESBA-National Standard Setters Liaison Group (NSS) do not currently use the HTML version of the Code and IESBA publications more broadly. A key reason for this is because online access to the Code (and other IESBA resources and tools) is restricted by:

- A prompt for a registered IFAC login ID and password; and
- The need to acknowledge and comply with a permissions and use policy.

17. At the December 2017 IESBA meeting, some members commented that the PDF version of the Code that is available on the IESBA website does not allow copying, which refrain firms and networks firms from being able to use the material in the Code as part of their consultation processes.

18. In relation to the permissions and use policy, it appears that some stakeholders are either unclear, or confused about when and how to request written permission for the Code. Also, some stakeholders, including some the WG members questioned the need for having a permissions and
use policy and wondered about the implications that such a policy has on the Code’s timely adoption and implementation.

19. Similar views about access were shared by all but one of the respondents who commented about the eCode in response to the SWP. Those eCode related comments are as follows:

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<th>Respondent</th>
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| ICAS       | For an e-Code to assist users, including professional bodies, it will be required to:  
- Have free access;  
- Be easily accessible; and  
- Be available to, and provide the means for, user bodies to adapt for their own jurisdiction specific requirements. |
| DTT        | This will be a very useful implementation tool for all users of restructured Code and has the potential to have a significant impact on adoption efforts.  
It will also be particularly helpful if it contains links to other material such as each Basis for Conclusion and other publications to help further understanding and effective implementation of the Code.  
The IESBA should try to accelerate completion of this project from the two years that is currently projected in the proposed work plan. |
| DTT        | For the Code to be widely accessible and visible, consider making it available on the website unfettered, in an unlocked pdf version and without the need to establish an account with IFAC, which could inhibit users from taking steps necessary to access the Code. |
| ICAEW      | An e-code could be of great benefit to IFAC member bodies – at least those who write their codes in English. However, to be of such benefit, the Code would need to appear as part of the member bodies’ own codes (with due accreditation). It would thus need to be freely available (including not needing to sign in to the IFAC website, as this is somewhat disruptive and irritating to all) and capable of including adaptations. |
| UKFRC      | There should be clarity as to the status/authority of any linked material. |

20. The WG agrees that the success of the eCode will be impacted by how accessible it is to users.

21. The WG will continue to liaise with the IESBA and the IFAC Translation and Permissions Staff Teams to determine how best to deal with the concerns relating to access.

22. The WG Chair will provide a status update to the Board during the meeting.
Beta Testing\(^5\)

23. At its June 2018 meeting, some IESBA members suggested that the WG consider the need for a beta test before the eCode is launched. Some participants in the May 2018 NSS and the June 2018 IFAC Small and Medium Practices Committee meetings expressed a similar view.

24. The approach used for developing the eCode has been informed by the intended objectives for the eCode, as well as, the WG's and IESBA Staff's knowledge and experience, and the input and advice received from key stakeholders (including the IESBA Consultative Advisory Group and the NSS).

25. The composition of the WG is intentionally diverse to accommodate initial beta tests. The WG anticipates that any beta testing will involve a small multi-stakeholder group of 6-12 individuals at an opportune time. The WG envisages that the eCode usage will be analyzed after its release, and user experience feedback will be invited. This feedback will facilitate incorporating additional improvements in future phases or editions.

26. The extent of additional beta testing that is done will have implications for the planned launch date and overall cost for the eCode.

27. Subsequent to the September meeting, the WG will further consider the participants and timing for beta testing.

Timeline

28. Phase 1 is targeted to be available no later than the effective date of the revised and restructured Code (i.e., June 2019). The scope and timing of future phases will be impacted by the information about users' experiences that is gathered for phase of the eCode. Therefore the timing for future phases is uncertain at this time.

29. The WG anticipates being in a position to provide more specific information about timing, including a planned launch date, in December. The following factors are relevant to the determination of the timing for the launch date for the eCode:
   - The prioritization of staff resources, in light of the other the IESBA pre-commitments.
   - The resources to finance the initiative.
   - The time that it will take to revise the product based on the feedback of the beta test.

Longer-Term Considerations

30. Some WG members suggested that in the longer-term, there is merit to exploring whether the eCode software could facilitate a process for jurisdictions, firms and educators to adopt and implement the current version of the IESBA Code. For example, it was suggested that the eCode could be made available (arrangements, including any charge, to be determined by others) for national codes or firm materials to reinforce the appropriate application of the Code.

31. However, the WG's initial discussions suggest that there are practical challenges with implementing this suggestion at a global level, including costs, feasibility, translation, hosting and software maintenance.

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\(^5\) In software development, a beta test is the second phase of software testing in which a sampling of the intended audience tries the product out.
VIII. Actions Requested

32. The IESBA is asked to consider the presentation and the matters for consideration in this paper and share their views about:

- The eCode prototype.
- The scope and timing for the development of the eCode.
- Any other matters that might be relevant to the development of the eCode, in particular those included in the Matters for Consideration section of this paper.