Non-assurance Services (NAS)\(^1\)

Objective

1. To consider a summary of the roundtable participants’ feedback on the issues summarized in the May 2018 Briefing Paper, *Non-Assurance Services – Exploring Issues to Determine a Way Forward* (the Briefing Paper) and the Working Group’s related assessments and proposals.

2. To approve a project to review the NAS provisions in the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the Code).

Working Group (WG)

3. Members:
   - Richard Fleck, Chair and IESBA Deputy Chair
   - Kim Gibson, IESBA Member
   - Jens Poll, IESBA Member
   - Gary Hannaford, former IESBA Member
   - David Clark, IESBA Technical Advisor

Activities Since Last IESBA Discussion

4. During its June 2018 meeting, the IESBA received a preliminary report-back on the Washington DC and Paris roundtables held on June 11, 2018 and June 15, 2018 respectively, on the topic. The IESBA also was briefed on discussions on the topic with the IESBA-National Standard Setters (NSS) liaison group and the Forum of Firms.

5. Two further global roundtables were held in Tokyo, Japan; and Melbourne, Australia on July 12, 2018 and July 16, 2018 respectively. The latter was hosted jointly by the Australian Accounting Professional & Ethical Standards Board (APESB) and the New Zealand External Reporting Board (XRB).

6. The WG held a physical meeting in August to discuss the feedback from the four roundtables and to develop the agenda materials for this meeting.

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\(^1\) NAS in this paper refers to the term “non-assurance services” as used in the Code. In some jurisdictions the term “non-audit” services is used in referring to matters similar to those being considered under this initiative. For example, the term “non-audit services” is used in the UK to cover any service that does not form part of the audit engagement (i.e., both “non-assurance” and “assurance services” other than an audit). The terms “non-audit services” and “non-assurance services” are not defined terms in the Code.
7. The WG Chair will discuss the significant matters raised by roundtable participants with the IESBA Consultative Advisory Group (CAG) at its September 2018 meeting, and will also obtain CAG views on:
   - The WG’s related assessments and proposals; and
   - The proposed project proposal.

   The WG Chair will brief the Board on the main outcomes of the September 2018 CAG meeting discussions.

Coordination with the Fees Working Group

8. As appropriate, the WG has liaised with the Chair and Staff of the Fees Working Group to finalize its assessments and proposals.

Materials Presented

For Discussion

Agenda Item 9-A  NAS Issues Paper, Summary of Significant Matters Raised in Global Roundtables, Working Group Assessments and Proposals

Agenda Item 9-B  NAS Project Proposal

For Reference Only

Agenda Item 9-C  (Staff-prepared) Comparison of NAS Provisions for PIEs in EU Regulation versus the IESBA Code

Agenda Item 9-D  (Externally-prepared) Comparison of Independence rules in the Code versus PCAOB/SEC

Agenda Item 9-E  Comments on Project Proposal

Actions Requested

9. IESBA members are asked to:
   (a) Consider the issues, and the WG’s related assessments and proposals in Agenda Item 9-A;
   (b) Note the materials provided for reference; and
   (c) Approve the NAS project proposal in Agenda Item 9-B.