

IESBA SME/SMP Working Group

Draft Terms of Reference

1.0 Objective

The IESBA has been advised that SMES and SMPs face unique and challenging issues in complying with the Code, particularly with respect to SMPs serving SMEs. The Working Group's objective is to determine what those issues are, understand them, and to advise the Board on how it can best facilitate the application of the Code by professional accountants in SMEs and professional accountants in public practice, including SMPs, providing services to SMEs.

2.0 Approach

The Working Group will develop and validate findings and recommendations based on research and communication with those who understand the issues. Timely reporting to the IESBA will be important to enable the IESBA itself to be suitably responsive.

3.0 Deliverables

The Working Group is responsible for reporting its findings and recommendations to the IESBA. Recommendations should be consistent with the importance of SMPs and SMEs serving the public interest, reinforce the importance of high quality ethical standards, including independence standards, for professional accountants in public practice and in business and, where feasible, offer practical solutions to the unique and challenging issues faced by SMPs and SMEs in complying with the Code.

4.0 Composition

The Working Group will be chaired by a member of the IESBA, with 6-7 additional members, including 2 IESBA technical advisors and 4 individuals from the SME/SMP community. A seventh additional member may be appointed from a developing nation.