

**Meeting:** IESBA  
**Meeting Location:** New York  
**Meeting Date:** December 10-12, 2012

## Agenda Item 10

### Due Process

#### Objective of Agenda Item

1. To advise the IESBA of the status of due process regarding the proposed Standards addressing:
  - (a) A breach of a provision of the *Code of Ethics for Professional Accountants* (the Code); and
  - (b) Conflicts of interest,both of which are scheduled for approval at the December 2012 IESBA meeting.

#### Background

2. The Acting Deputy Director is responsible for advising the IESBA as to whether due process has been followed effectively and with proper regard for the public interest before a final Standard is approved for issue.
3. The following outlines the Acting Deputy Director's conclusion and basis thereof with respect to actions up to the December 2012 IESBA meeting for the above proposed Standards. Before final approval of the Standards, the Acting Deputy Director will advise on whether due process has been followed during the course of the December 2012 meeting.

#### Due Process Up to the Date of the December 2012 IESBA Meeting

4. The Acting Deputy Director confirms to the IESBA that, up to the December 2012 IESBA meeting, the above proposed Standards have been developed in accordance with the IESBA's due process.
5. For the proposed Standards, in summary the IESBA:
  - Approved the relevant project proposals for commencement of work on the proposed changes to the Code.
  - Consulted with the IESBA Consultative Advisory Group (IESBA CAG) on:
    - The proposals to start the projects; and
    - The significant issues relating to the development of the proposed Standards.

Significant comments received through the consultation with the IESBA CAG have been brought to the IESBA's attention, and the Project Task Forces have reported back to the IESBA CAG the results of the IESBA's deliberations.

- Approved and issued exposure drafts of the proposed Standards for public comment, together with explanatory memoranda highlighting, amongst other matters, the significant proposals of the IESBA.
- Considered an analysis of the significant issues raised by respondents on the exposure drafts, including outlines of their proposed disposition and, as appropriate, the reasons significant changes recommended by respondents have, or have not, been accepted.
- Having familiarized themselves with the issues raised in comment letters, the IESBA members:
  - Deliberated significant matters raised in the comment letters received, including consideration of whether there were any issues raised by respondents, in addition to those summarized by the Project Task Forces, that they considered should be discussed; and
  - Amended the proposed Standards accordingly.
- Consulted with the IESBA CAG on significant issues raised in comment letters on the exposure drafts of the proposed Standards and the IESBA's related responses. Significant comments received through the consultation with the IESBA CAG have been brought to the IESBA's attention.