

Meeting: IESBA
Meeting Location: New York
Meeting Date: June 10-12, 2013

Agenda Item

4

Review of Part C of the Code

Objective of Agenda Item

1. To consider issues arising from the Task Force's review of the application of Part C to all professional accountants and its preliminary review of the topic of pressure.

Task Force

2. Members:
 - Jim Gaa, Chair, IESBA Member
 - Larry Kean, SME Representative
 - Alice McCleary, IESBA Member
 - Ian Rushby, PAIB Committee Member
 - Lisa Snyder, IESBA Technical Advisor

Background

3. At its meeting in March 2013, the IESBA approved the project proposal to review Part C of the Code, including that priority attention be given to the following topic areas:
 - Pressure by superiors and others to engage in unethical or illegal acts;
 - The responsibility of professional accountants in business (PAIBs) to produce financial reports that are faithful representations of the economics of transactions, and associated matters; and
 - Facilitation payments and bribes.
4. The Task Force notes that changes to Part C are being proposed under the Suspected Illegal Acts (SIA) project. The Task Force will monitor developments in that project and liaise with the SIA Task Force as needed to coordinate changes to Part C.

Activities Since Last IESBA Discussion

5. At its meeting in April 2013, the IESBA CAG considered the project proposal.
6. The Working Group met physically in May 2013 to review the application of Part C to all professional accountants and to discuss on a preliminary basis the topic of pressure.

Material Presented

- Agenda Item 4-A The Application of Part C to All Professional Accountants – Issues paper.
- Agenda Item 4-B A revised Section 340 – Pressure to Engage in Unethical or Illegal Acts –
Issues paper

Action Requested

7. The IESBA is asked to consider the issues and preliminary Task Force recommendations presented in Agenda Items 4-A and 4-B, and to provide input to the Task Force.