

Meeting: IESBA
Meeting Location: New York
Meeting Date: April 13-15, 2015

Agenda Item 5

Structure of the Code

Objectives of Agenda Item

1. To:
 - (a) Consider a summary of respondents' comments on the consultation paper (CP) [Improving the Structure of the Code of Ethics for Professional Accountants](#); and
 - (b) Provide input on the recommendations proposed by the Task Force.

The Task Force would welcome any comments on the post-CP draft restructured Code in advance of the meeting. Please email them to elizabethhiggs@ethicsboard.org and louisastevens@ethicsboard.org.

Task Force

2. Members:
 - Don Thomson, Chair, IESBA Member
 - Tony Bromell, IESBA Technical Advisor
 - Brian Caswell, IESBA Member
 - Peter Hughes, IESBA Member
 - Stefano Marchese, IESBA Member

Activities Since Last IESBA Discussion

3. Members of the Task Force met via teleconference with the Auditing Sub-Committee of the International Organization of Securities Commissions (IOSCO) on February 2, 2015 to discuss their comment letter received on January 30, 2015.
4. The Task Force presented a summary of the key matters raised by respondents along with an indication of the actions it intends to recommend to the Board at the March 2015 IESBA CAG meeting.
5. The Task Force met in person and via teleconferences in March 2014 to consider respondents' comments on the CP and to agree recommendations for proposed actions in response to comments received.

Material Presented

Agenda Item 5-A	Structure of the Code – Issues and Task Force Proposals
Agenda Item 5-B	Post-Consultation Paper Draft Restructured Code
Agenda Item 5-C	Table of Concordance
Agenda Item 5-D	Extract from Mapping Table for Post-Consultation Paper Draft Restructured Code

Forward Timeline

6. The Task Force is working towards a target of December 2015 for the approval of an Exposure Draft (ED) of a restructured Code to meet stakeholder expectations. The dates in the table below are tentative, subject to feedback on the proposals and the continued availability of sufficient resources.
7. The Task Force, the Planning Committee and other Task Forces are mindful of the need for appropriate alignment of the timing of issuance of the Structure ED in relation to the timing of other projects currently in progress.

Indicative Timing	Milestone
April 2015	Forum of Firms meeting <ul style="list-style-type: none">• Discussion of:<ul style="list-style-type: none">○ CP responses and proposed actions○ Early engagement
May 2015	IESBA-NSS meeting <ul style="list-style-type: none">• Discussion of:<ul style="list-style-type: none">○ CP responses and proposed actions○ Early engagement
June-July 2015	IESBA Meeting <ul style="list-style-type: none">• Consideration of draft ED part I (see Appendix 1 for expected contents of draft Exposure Draft)
September 2015	CAG Meeting <ul style="list-style-type: none">• Consideration of significant issues regarding draft ED
September 2015	IESBA Meeting <ul style="list-style-type: none">• Consideration of draft ED part II

Structure of the Code (Cover Note)
IESBA Meeting (April 2015)

Indicative Timing	Milestone
October 2015	Forum of Firms meeting <ul style="list-style-type: none">• Discussion of draft ED
December 2015	IESBA Meeting <ul style="list-style-type: none">• Approve ED
Early 2017	Finalize and issue a restructured Code, possibly effective January 1, 2018 (seven years after the effective date of the last major revision)

Action Requested

8. IESBA members are asked for views on the matters raised Agenda Item 5-A in respect of:
- (a) The summary of respondents' comments on the consultation paper; and
 - (b) The recommendations proposed by the Task Force regarding the comments from respondents.

Appendix 1

Expected Delivery of Sections in Draft ED

Exposure Draft Part I Expected at IESBA Meeting June/July 2015	Exposure Draft Part II Expected at IESBA Meeting September 2015
Preface	Exposure Draft Part I plus:
How to use the Code	120 Conceptual Framework
100 Compliance with the Code, Fundamental Principles and Conceptual Framework	300 Application of the Conceptual Framework for Professional Accountants in Public Practice
110 Fundamental Principles	530 Long Association of Personnel with an Audit Client
120 Conceptual Framework (safeguards paragraphs marked in grey shading not for review)	600 Independence: Non Assurance Services
300 Application of the Conceptual Framework for Professional Accountants in Public Practice (safeguards paragraphs marked in grey shading not for review)	601 Management Responsibility
310 Conflicts of interest	602 Preparing Accounting Records and Financial Statements
320 Professional appointment	603 Valuation Services
330 Fees and remuneration	604 Taxation Services
340 Gifts and hospitality	605 Internal Audit Services
350 Custody of client assets	606 IT Systems Services
400 Independence – Audit & review engagements General Principles and Responsibilities	607 Litigation Support Services
401 Breach of an Independence Provision	608 Legal Services
410 Fees and Compensation	609 Recruiting Services
411 Fees – Relative Size	610 Corporate Finance Services
412 Fees – Overdue	700 Independence: Other Assurance Engagements
413 Contingent Fees	
414 Compensation	
420 Gifts and Hospitality	
430 Actual or Threatened Litigation	

Exposure Draft Part I Expected at IESBA Meeting June/July 2015	Exposure Draft Part II Expected at IESBA Meeting September 2015
500 Independence: Relationships 510 Financial Relationships 511 Financial Interests 512 Loans and Guarantees 520 Other Relationships 521 Business Relationships 522 Family and Personal Relationships 523 Employment with an Audit Client 524 Temporary Staff Assignments 525 Recent Service with an Audit Client 526 Serving as an Officer or Director of an Audit Client	