

Mapping Table of Comparison of Extant Code of Ethics to Post-CP Draft Restructured Code Parts A, C and C1

The Safeguards Task Force is putting forward proposed changes to certain paragraphs within Sections 100 and 200 of the extant Code (see Agenda Items 3, 3-A and 3-B). Accordingly, those paragraphs have been omitted from this mapping table. The extant version of the other paragraphs that form part of the Safeguards Task Force project scope¹ are presented in regular type and shaded grey.

The Safeguards Task Force plans to consider conforming changes resulting from its proposals relating to Section 100 and Section 200 at its October 2015 meeting. Areas in the extant Code that the Safeguards Task Force believes may be subject to conforming or consequential changes resulting from the Safeguards project, based on its proposals relating to Section 100 and Section 200, are presented in italic font and also shaded in grey.

It is planned that the December 2015 version of the draft restructured Code will incorporate the proposed revisions developed by the Safeguards Task Force to Sections 100 and 200 (see Agenda Item 3 for a discussion the of timing of the Safeguards project).

Paragraphs R400.12 to 400.12 A3, are shown in italic text because they represent the first draft of changes to extant Code paragraph 290.12 on responsibility. The issue of responsibility is currently considered in liaison with the IAASB and so these paragraphs are not available for review.

¹

The January 2015 approved Safeguards Project Proposal indicate that the Safeguards project scope will encompass:

- The subsection in Section 100, entitled *Threats and Safeguards* (paragraphs 100.12–100.16) in Section 100.
- The subsection in Section 200, entitled *Threats and Safeguards* (paragraphs 200.3–200.15) in Section 200.
- The section in Section 290, entitled *Application of the Conceptual Framework Approach to Independence* (paragraphs 290.100 to 290.101).
- The section in Section 290, entitled *Provision of Non-Assurance Services to an Audit Client* (paragraphs 290.154 to 290.216).
- Necessary conforming changes to Section 291 resulting from any of the potential changes to Section 290.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
SECTION 100 Introduction and Fundamental Principles			
100.1	A distinguishing mark of the accountancy profession is its acceptance of the responsibility to act in the public interest. Therefore, <i>a professional accountant's responsibility is not exclusively to satisfy the needs of an individual client or employer.</i> In acting in the public interest, a professional accountant shall observe and comply with this Code. If a professional accountant is prohibited from complying with certain parts of this Code by law or regulation, the professional accountant shall comply with all other parts of this Code.	R100.4 In acting in the public interest a professional accountant shall comply with this Code. There might be circumstances when a professional accountant is prohibited from complying with certain parts of this Code by law or regulation. In that event, the professional accountant shall comply with all other parts of this Code.	The text in italics is contained in 100.3.
		100.1 A distinguishing mark of the accountancy profession is its acceptance of the responsibility to act in the public interest: ...	
100.3	Parts B and C describe how the conceptual framework applies in certain situations. They provide examples of safeguards that may be appropriate to address threats to compliance with the fundamental principles. They also describe situations where safeguards are not available to address the threats, and consequently, the circumstance or relationship creating the threats shall be avoided. Part B applies to professional accountants in public practice. Part C applies to professional accountants in business. Professional accountants in public practice may also find Part C relevant to their particular circumstances.		This paragraph is covered in the Guide to the Code.
100.4	The use of the word “shall” in this Code imposes a requirement on the professional accountant or firm to		This paragraph is covered in the

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	comply with the specific provision in which “shall” has been used. Compliance is required unless an exception is permitted by this Code.		Guide to the Code.
Fundamental Principles			
100.5	<p>A professional accountant shall comply with the following fundamental principles:</p> <p>(a) Integrity – to be straightforward and honest in all professional and business relationships.</p> <p>(b) Objectivity – to not allow bias, conflict of interest or undue influence of others to override professional or business judgments.</p> <p>(c) Professional Competence and Due Care – to maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional service based on current developments in practice, legislation and techniques and act diligently and in accordance with applicable technical and professional standards.</p> <p>(d) Confidentiality – to respect the confidentiality of information acquired as a result of professional and business relationships and, therefore, not disclose any such information to third parties without proper and specific authority, unless there is a legal or professional right or duty to disclose, nor use the information for the personal</p>	<p>110.1 There are five fundamental principles of ethics for professional accountants:</p> <p>(a) Integrity – to be straightforward and honest in all professional and business relationships.</p> <p>(b) Objectivity – to make professional or business judgments without bias, conflict of interest or undue influence by others.</p> <p>(c) Professional Competence and Due Care – to:</p> <p>(i) Maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional service, based on current developments in practice, legislation and techniques; and</p> <p>(ii) Act diligently and in accordance with applicable technical and professional standards.</p> <p>(d) Confidentiality – to respect the confidentiality of information acquired as a result of professional and business relationships and, therefore, not to:</p> <p>(i) Disclose any such information to third parties without proper and specific authority, unless there is a legal or professional right or duty to disclose; or</p>	<p>The “shall” regarding compliance with the fundamental principles is contained in sections 111, 112, 113, 114 and 115.</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	<p>advantage of the professional accountant or third parties.</p> <p>(e) Professional Behavior – to comply with relevant laws and regulations and avoid any action that discredits the profession.</p>	<p>(ii) Use the information for the personal advantage of the professional accountant or for the advantage of a third party.</p> <p>(f) Professional Behavior – to comply with relevant laws and regulations and avoid any action that the professional accountant knows or should know might discredit the profession.</p>	
	Each of these fundamental principles is discussed in more detail in Sections 110–150.	110.2 Subsections 111 to 115 contain requirements and application material related to each of these fundamental principles	
Conceptual Framework Approach			
100.6	The circumstances in which professional accountants operate may create specific threats to compliance with the fundamental principles. It is impossible to define every situation that creates threats to compliance with the fundamental principles and specify the appropriate action. In addition, the nature of engagements and work assignments may differ and, consequently, different threats may be created, requiring the application of different safeguards. Therefore, this Code establishes a conceptual framework that requires a professional accountant to identify, evaluate, and address threats to compliance with the fundamental principles. The conceptual framework approach assists professional accountants in complying with the ethical requirements of this Code		This text has been removed from the Structure Task Force material where it is currently under review by the Safeguards Task Force.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
100.7		Text removed as specified above.
100.8		Text removed as specified above.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	relationships that may compromise compliance with the fundamental principles.		
100.9	A professional accountant shall take qualitative as well as quantitative factors into account when evaluating the significance of a threat. When applying the conceptual framework, a professional accountant may encounter situations in which threats cannot be eliminated or reduced to an acceptable level, either because the threat is too significant or because appropriate safeguards are not available or cannot be applied. In such situations, the professional accountant shall decline or discontinue the specific professional activity or service involved or, when necessary, resign from the engagement (in the case of a professional accountant in public practice) or the employing organization (in the case of a professional accountant in business).		Text removed as specified above.
100.10	Sections 290 and 291 contain provisions with which a professional accountant shall comply if the professional accountant identifies a breach of an independence provision of the Code. If a professional accountant identifies a breach of any other provision of this Code, the professional accountant shall evaluate the significance of the breach and its impact on the accountant's ability to comply with the fundamental principles. The accountant shall take whatever actions that may be available, as soon as	<p>R100.5 A professional accountant who identifies a breach of this Code shall:</p> <p>(a) Evaluate the significance of the breach and its impact on the professional accountant's ability to comply with the fundamental principles;</p> <p>(b) Take whatever actions might be available, as soon as possible, to address the consequences of the breach satisfactorily;</p> <p>(c) Determine whether to report the breach to those who might</p>	Underlined text is a new cross reference as a reminder of the later obligation.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	possible, to satisfactorily address the consequences of the breach. The accountant shall determine whether to report the breach, for example, to those who may have been affected by the breach, a member body, relevant regulator or oversight authority.	have been affected by it, a professional body or a regulator; and <u>(d) Address a breach of a requirement in C1 and C2 in accordance with the provisions contained in Part C.</u>	
100.11	When a professional accountant encounters unusual circumstances in which the application of a specific requirement of the Code would result in a disproportionate outcome or an outcome that may not be in the public interest, it is recommended that the professional accountant consult with a member body or the relevant regulator.		This paragraph is covered in Appendix 1 to the Guide to the Code.
Threats and Safeguards			
100.12	Threats may be created by a broad range of relationships and circumstances. When a relationship or circumstance creates a threat, such a threat could compromise, or could be perceived to compromise, a professional accountant's compliance with the fundamental principles. A circumstance or relationship may create more than one threat, and a threat may affect compliance with more than one fundamental principle. Threats fall into one or more of the following categories: (a) Self-interest threat – the threat that a financial or other interest will inappropriately influence the		Text removed as specified above. The underlined text is covered in the Guide to the Code.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
<p>professional accountant's judgment or behavior;</p> <p>(b) Self-review threat – the threat that a professional accountant will not appropriately evaluate the results of a previous judgment made, or activity or service performed by the professional accountant, or by another individual within the professional accountant's firm or employing organization, on which the accountant will rely when forming a judgment as part of performing a current activity or providing a current service;</p> <p>(c) Advocacy threat – the threat that a professional accountant will promote a client's or employer's position to the point that the professional accountant's objectivity is compromised;</p> <p>(d) Familiarity threat – the threat that due to a long or close relationship with a client or employer, a professional accountant will be too sympathetic to their interests or too accepting of their work; and</p> <p>(e) Intimidation threat – the threat that a professional accountant will be deterred from acting objectively because of actual or perceived pressures, including attempts to exercise undue influence over the professional accountant.</p> <p><u>Parts B and C of this Code explain how these categories of threats may be created for professional accountants in public practice and professional accountants in business, respectively. Professional</u></p>		

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	<u>accountants in public practice may also find Part C relevant to their particular circumstances.</u>		
100.13	<p>Safeguards are actions or other measures that may eliminate threats or reduce them to an acceptable level. They fall into two broad categories:</p> <p>(a) Safeguards created by the profession, legislation or regulation; and</p> <p>(b) Safeguards in the work environment.</p>		Text removed as specified above.
100.14	<p>Safeguards created by the profession, legislation or regulation include:</p> <ul style="list-style-type: none"> • Educational, training and experience requirements for entry into the profession • Continuing professional development requirements • Corporate governance regulations • Professional standards • Professional or regulatory monitoring and disciplinary procedures • External review by a legally empowered third party of the reports, returns, communications or information produced by a professional accountant 		Text removed as specified above.
100.15	Parts B and C of this Code discuss safeguards in the		Text removed as

VERSION 4 Tranches I and II August 25, 2015

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	work environment for professional accountants in public practice and professional accountants in business, respectively.		specified above.
100.16	<p>Certain safeguards may increase the likelihood of identifying or deterring unethical behavior. Such safeguards, which may be created by the accounting profession, legislation, regulation, or an employing organization, include:</p> <ul style="list-style-type: none"> • Effective, well-publicized complaint systems operated by the employing organization, the profession or a regulator, which enable colleagues, employers and members of the public to draw attention to unprofessional or unethical behavior. • An explicitly stated duty to report breaches of ethical requirements 		Text removed as specified above.
Conflicts of Interest			
100.17	<p>A professional accountant may be faced with a conflict of interest when undertaking a professional activity. A conflict of interest creates a threat to objectivity and may create threats to the other fundamental principles. Such threats may be created when:</p> <ul style="list-style-type: none"> • The professional accountant undertakes a professional activity related to a particular matter for two or more parties whose interests with 		This material is addressed within Conflicts of Interest sections in Parts B and C. The related content for PAIP can be found in paragraph 310.2

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	<p>respect to that matter are in conflict; or</p> <ul style="list-style-type: none"> The interests of the professional accountant with respect to a particular matter and the interests of a party for whom the professional accountant undertakes a professional activity related to that matter are in conflict. 		<p>and 310.3 of the post-CP draft restructured Code.</p> <p>The relevant content for PAIB will be noted once this part is restructured.</p> <p>This is to avoid unnecessary repetition.</p>
100.18	Parts B and C of this Code discuss conflicts of interest for professional accountants in public practice and professional accountants in business, respectively.		Cross reference paragraph not required in post-CP draft restructured Code.
<i>Ethical Conflict Resolution</i>			
100.19	A professional accountant may be required to resolve a conflict in complying with the fundamental principles.		This paragraph is covered in the Guide to the Code.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
<p>100.20</p> <p>When initiating either a formal or informal conflict resolution process, the following factors, either individually or together with other factors, may be relevant to the resolution process:</p> <ul style="list-style-type: none"> (a) Relevant facts; (b) Ethical issues involved; (c) Fundamental principles related to the matter in question; (d) Established internal procedures; and (e) Alternative courses of action. <p>Having considered the relevant factors, a professional accountant shall determine the appropriate course of action, weighing the consequences of each possible course of action. If the matter remains unresolved, the professional accountant may wish to consult with other appropriate persons within the firm or employing organization for help in obtaining resolution.</p>		<p>This paragraph is covered in the Guide to the Code.</p>
<p>100.21</p> <p>Where a matter involves a conflict with, or within, an organization, a professional accountant shall determine whether to consult with those charged with governance of the organization, such as the board of directors or the audit committee.</p>		<p>Included in R300.3, 300.3 A1 and A2.</p>
<p>100.22</p> <p>It may be in the best interests of the professional accountant to document the substance of the issue,</p>		<p>This paragraph is covered in the</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	the details of any discussions held, and the decisions made concerning that issue.		Guide to the Code.
100.23	If a significant conflict cannot be resolved, a professional accountant may consider obtaining professional advice from the relevant professional body or from legal advisors. The professional accountant generally can obtain guidance on ethical issues without breaching the fundamental principle of confidentiality if the matter is discussed with the relevant professional body on an anonymous basis or with a legal advisor under the protection of legal privilege. Instances in which the professional accountant may consider obtaining legal advice vary. For example, a professional accountant may have encountered a fraud, the reporting of which could breach the professional accountant's responsibility to respect confidentiality. The professional accountant may consider obtaining legal advice in that instance to determine whether there is a requirement to report.		This paragraph is covered in the Guide to the Code.
100.24	If, after exhausting all relevant possibilities, the ethical conflict remains unresolved, a professional accountant shall, where possible, refuse to remain associated with the matter creating the conflict. The professional accountant shall determine whether, in the circumstances, it is appropriate to withdraw from the engagement team or specific assignment, or to resign altogether from the engagement, the firm or the		This paragraph is covered in the Guide to the Code.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	employing organization.		
Communicating with Those Charged with Governance			
100.25	When communicating with those charged with governance in accordance with the provisions of this Code, the professional accountant or firm shall determine, having regard to the nature and importance of the particular circumstances and matter to be communicated, the appropriate person(s) within the entity's governance structure with whom to communicate. If the professional accountant or firm communicates with a subgroup of those charged with governance, for example, an audit committee or an individual, the professional accountant or firm shall determine whether communication with all of those charged with governance is also necessary so that they are adequately informed.	RXXX.X When communicating with those charged with governance under this Code, the professional accountant shall determine the appropriate individual(s) within the entity's governance structure with whom to communicate. If a professional accountant communicates with a subgroup of those charged with governance, the professional accountant shall determine whether communication with all of those charged with governance is also necessary.	100.25 Will be removed from Part A and included in both Part B and Part C (R300.3, 300.3 A1 and A2).
		XXX.X A1 In determining with whom to communicate, the professional accountant might consider: (a) The nature and importance of the circumstances; and (b) The matter to be communicated.	
		XXX.X A2 If a professional accountant communicates with a subgroup of those charged with governance for example, an audit committee or an individual, communication with all of those charged with governance might also be necessary to ensure they are adequately informed.	
SECTION 110 Integrity			
110.1	The principle of integrity imposes an obligation on all professional accountants to be straightforward and honest in all professional and business relationships.	R111.1 A professional accountant shall comply with the fundamental principle of integrity which requires a professional accountant to be straightforward and honest in all professional	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	Integrity also implies fair dealing and truthfulness.	and business relationships. 111.1 A1 Integrity also implies fair dealing and truthfulness.	
110.2	A professional accountant shall not knowingly be associated with reports, returns, communications or other information where the professional accountant believes that the information: (a) Contains a materially false or misleading statement; (b) Contains statements or information furnished recklessly; or (c) Omits or obscures information required to be included where such omission or obscurity would be misleading.	R111.2 A professional accountant shall not knowingly be associated with reports, returns, communications or other information where the professional accountant believes that the information: (a) Contains a materially false or misleading statement; (b) Contains statements or information provided recklessly; or (c) Omits or obscures required information where such omission or obscurity would be misleading.	
	When a professional accountant becomes aware that the accountant has been associated with such information, the accountant shall take steps to be disassociated from that information.	R111.3 When a professional accountant becomes aware of having been associated with information described in R111.2, the professional accountant shall: (a) Take steps to disassociate from that information; or (b) Provide a modified report in respect of the information.	
110.3	A professional accountant will be deemed not to be in breach of paragraph 110.2 if the professional accountant provides a modified report in respect of a matter contained in paragraph 110.2.	R111.3 When a professional accountant becomes aware of having been associated with information described in R111.2, the professional accountant shall: (a) Take steps to disassociate from that information; or (b) Provide a modified report in respect of the information.	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
SECTION 120 Objectivity			
120.1	The principle of objectivity imposes an obligation on all professional accountants not to compromise their professional or business judgment because of bias, conflict of interest or the undue influence of others.	R112.1 A professional accountant shall comply with the fundamental principle of objectivity which requires a professional accountant to make professional or business judgments without bias, conflict of interest or undue influence of others.	
120.2	A professional accountant may be exposed to situations that may impair objectivity. It is impracticable to define and prescribe all such situations. A professional accountant shall not perform a professional activity or service if a circumstance or relationship biases or unduly influences the accountant's professional judgment with respect to that service.	R112.2 A professional accountant shall not undertake a professional activity if a circumstance or relationship unduly influences the accountant's professional judgment regarding that activity.	
SECTION 130 Professional Competence and Due Care			
130.1	<p>The principle of professional competence and due care imposes the following obligations on all professional accountants:</p> <p>(a) To maintain professional knowledge and skill at the level required to ensure that clients or employers receive competent professional service; and</p> <p>(b) To act diligently in accordance with applicable technical and professional standards when performing professional activities or providing</p>	<p>R113.1 A professional accountant shall comply with the fundamental principle of professional competence and due care which requires a professional accountant to:</p> <p>(a) Maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional service, <u>based on current developments in practice, legislation and techniques</u>; and</p> <p>(b) Act diligently and in accordance with applicable technical and professional standards.</p>	Underlined text included to be consistent with language in 110.1(c) which came from 100.5

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	professional services.		
130.2	<p>Competent professional service requires the exercise of sound judgment in applying professional knowledge and skill in the performance of such service. Professional competence may be divided into two separate phases:</p> <p>(a) Attainment of professional competence; and</p> <p>(b) Maintenance of professional competence.</p>	<p>113.3 A1 Serving clients and employers with professional competence requires the exercise of sound judgment in applying professional knowledge and skill when undertaking professional activities, and providing professional services. Professional competence and due care might be divided into two separate phases:</p> <p>(a) Attainment of professional competence; and</p> <p>(b) Maintenance of professional competence.</p>	
130.3	<p>The maintenance of professional competence requires a continuing awareness and an understanding of relevant technical, professional and business developments. Continuing professional development enables a professional accountant to develop and maintain the capabilities to perform competently within the professional environment.</p>	<p>113.3 A2 The maintenance of professional competence requires a continuing awareness and an understanding of relevant technical, professional and business developments. Continuing professional development enables a professional accountant to develop and maintain the capabilities to perform competently within the professional environment.</p>	
130.4	<p>Diligence encompasses the responsibility to act in accordance with the requirements of an assignment, carefully, thoroughly and on a timely basis.</p>	<p>113.3 A3 Diligence encompasses the responsibility to act in accordance with the requirements of an assignment, carefully, thoroughly and on a timely basis.</p>	
130.5	<p>A professional accountant shall take reasonable steps to ensure that those working under the professional accountant's authority in a professional capacity have appropriate training and supervision.</p>	<p>R113.2 In complying with the fundamental principle of professional competence and due care, a professional accountant shall take reasonable steps to ensure that those working under the professional accountant's authority in a professional capacity have appropriate training and supervision.</p>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
130.6	Where appropriate, a professional accountant shall make clients, employers or other users of the accountant's professional services or activities aware of the limitations inherent in the services or activities.	R113.3 Where appropriate, a professional accountant shall make clients, employers, or other users of the accountant's professional services or activities, aware of the limitations inherent in the services or activities.	
SECTION 140 Confidentiality			
140.1	<p>The principle of confidentiality imposes an obligation on all professional accountants to refrain from:</p> <p>(a) Disclosing outside the firm or employing organization confidential information acquired as a result of professional and business relationships without proper and specific authority or unless there is a legal or professional right or duty to disclose; and</p> <p>(b) Using confidential information acquired as a result of professional and business relationships to their personal advantage or the advantage of third parties.</p>	<p>R114.1 A professional accountant shall comply with the fundamental principle of confidentiality which requires a professional accountant to respect the confidentiality of information acquired as a result of professional and business relationships and, therefore, not to:</p> <p>(a) Disclose any such information to third parties without proper and specific authority or unless there is a legal or professional right or duty to disclose; or</p> <p>(b) Use the information for the personal advantage of the professional accountant or third parties.</p>	
140.2	A professional accountant shall maintain confidentiality, including in a social environment, being alert to the possibility of inadvertent disclosure, particularly to a close business associate or a close or immediate family member.	<p>R114.2 A professional accountant shall:</p> <p>(a) Maintain confidentiality and be alert to the possibility of inadvertent disclosure, including in a social environment, and particularly to a close business associate or a close or immediate family member;</p> <p>(b) Maintain confidentiality of information within the firm or employing organization;</p>	Order of 140.3 and 140.4 reversed.
140.3	A professional accountant shall maintain confidentiality of information disclosed by a		

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	prospective client or employer.	<p>(c) Maintain confidentiality of information disclosed by a prospective client or employer;</p> <p>(d) Not disclose confidential information acquired as a result of professional and business relationships to third parties without proper and specific authority, unless there is a legal or professional right or duty to disclose;</p> <p>(e) Not use confidential information acquired as a result of professional and business relationships for the personal advantage of the professional accountant or for the advantage of a third party;</p> <p>(f) ...</p> <p>(g) Take reasonable steps to ensure that personnel under the professional accountant's control, and individuals from whom advice and assistance is obtained, respect the professional accountant's duty of confidentiality.</p>	
140.4	A professional accountant shall maintain confidentiality of information within the firm or employing organization.		<p>(d) Repeats FP in 114.1</p> <p>(e) See 140.6</p> <p>(f) Reflects wording in extant 140.6</p>
140.5	A professional accountant shall take reasonable steps to ensure that staff under the professional accountant's control and persons from whom advice and assistance is obtained respect the professional accountant's duty of confidentiality.		
140.6	The need to comply with the principle of confidentiality continues even after the end of relationships between a professional accountant and a client or employer. When a professional accountant changes employment or acquires a new client, the professional accountant is entitled to use prior experience. The professional accountant shall not, however, use or disclose any confidential information either acquired or received as a result of a professional or business relationship.	<p>R114.2 A professional accountant shall:</p> <p>(f) Not use or disclose any confidential information either acquired or received as a result of a professional or business relationship after the business or personal relationship has ended; and</p>	<p>(f) Repeats FP in 114.1</p>
		<p>114.2 A1 The requirement to comply with the principle of confidentiality continues even after the end of the relationship between a professional accountant and a client or employer. When changing employment or acquiring a new client, the professional accountant is entitled to use prior experience but</p>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
	may not use or disclose any confidential information acquired or received as a result of a professional or business relationship.	
140.7	<p>114.2 A2 The following are circumstances where professional accountants might be required to disclose confidential information or when such disclosure might be appropriate:</p> <p>(a) Disclosure is permitted by law and is authorized by the client or the employer;</p> <p>(b) Disclosure is required by law, for example:</p> <ul style="list-style-type: none"> (i) Production of documents or other provision of evidence in the course of legal proceedings; or (ii) Disclosure to the appropriate public authorities of infringements of the law that come to light; and <p>(c) There is a professional duty or right to disclose, when not prohibited by law:</p> <ul style="list-style-type: none"> (i) To comply with the quality review of a member body or professional body; (ii) To respond to an inquiry or investigation by a member body or regulatory body; (iii) To protect the professional interests of a professional accountant in legal proceedings; or 	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	(iv) To comply with technical standards and ethics requirements.		
140.8	<p>In deciding whether to disclose confidential information, relevant factors to consider include:</p> <ul style="list-style-type: none"> Whether the interests of all parties, including third parties whose interests may be affected, could be harmed if the client or employer consents to the disclosure of information by the professional accountant. Whether all the relevant information is known and substantiated, to the extent it is practicable; when the situation involves unsubstantiated facts, incomplete information or unsubstantiated conclusions, <u>professional judgment shall be used in determining the type of disclosure to be made</u>, if any. The type of communication that is expected and to whom it is addressed. Whether the parties to whom the communication is addressed are appropriate recipients. 	<p>114.2 A3 In deciding whether to disclose confidential information, factors to consider include:</p> <ul style="list-style-type: none"> Whether the interests of all parties, including third parties whose interests might be affected, could be harmed if the client or employer consents to the disclosure of information by the professional accountant. Whether all the relevant information is known and substantiated, to the extent practicable. Factors affecting the decision to disclose include: <ul style="list-style-type: none"> Unsubstantiated facts; Incomplete information; or Unsubstantiated conclusions. The proposed type of communication, and to whom it is addressed. Whether the parties to whom the communication is addressed are appropriate recipients. 	<p>The requirement to apply professional judgment (in the underlined text) in deciding the type of disclosure to be made is assumed in the introduction to this paragraph.</p>
SECTION 150 Professional Behavior			
150.1	The principle of professional behavior imposes an obligation on all professional accountants to comply with relevant laws and regulations and avoid any action that the professional accountant knows or	R115.1 A professional accountant shall comply with the fundamental principle of professional behavior which requires a professional accountant to comply with relevant laws and regulations and avoid any action that the professional	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	should know may discredit the profession. This includes actions that a reasonable and informed third party, weighing all the specific facts and circumstances available to the professional accountant at that time, would be likely to conclude adversely affects the good reputation of the profession.	<p>accountant knows or should know might discredit the profession.</p> <p>115.1 A1 Actions that might discredit the profession include actions that a reasonable and informed third party would be likely to conclude adversely affects the good reputation of the profession.</p>	
150.2	<p>In marketing and promoting themselves and their work, professional accountants shall not bring the profession into disrepute. Professional accountants shall be honest and truthful and not:</p> <p>(a) Make exaggerated claims for the services they are able to offer, the qualifications they possess, or experience they have gained; or</p> <p>(b) Make disparaging references or unsubstantiated comparisons to the work of others.</p>	<p>R115.2 When marketing or promoting themselves and their work, professional accountants shall not bring the profession into disrepute. Professional accountants shall be honest and truthful and shall not make:</p> <p>(a) Exaggerated claims for:</p> <p style="padding-left: 20px;">(i) The services they are able to offer;</p> <p style="padding-left: 20px;">(ii) Their qualifications; or</p> <p style="padding-left: 20px;">(iii) Their experience.</p> <p>(b) Disparaging references or unsubstantiated comparisons to the work of others</p>	
		New Paragraphs with no equivalent in the Draft Restructured Code	
		100.2 This Part contains requirements and applications material for professional accountants regarding matters that are fundamental to acting in the public interest, namely.	New introductory material as a result of the restructure.
		100.3 A professional accountant's responsibility is not	New introductory

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
		exclusively to satisfy the needs of an individual client or employer.	material as a result of the restructure.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
SECTION 200 Introduction			
200.1	This Part of the Code describes how the conceptual framework contained in Part A applies in certain situations to professional accountants in public practice. This Part does not describe all of the circumstances and relationships that could be encountered by a professional accountant in public practice that create or may create threats to compliance with the fundamental principles. Therefore, the professional accountant in public practice <u>is encouraged to</u> be alert for such circumstances and relationships.	300.1 This Part of the Code describes how the conceptual framework contained in Section 120 applies in certain situations to professional accountants ² in public practice. This Part does not describe all of the circumstances and relationships that could be encountered by professional accountants that create or might create threats to compliance with the fundamental principles. Therefore professional accountants are encouraged to be alert for such circumstances and relationships.	The Task Force proposes to retain the extant wording and treat the paragraph as guidance.
200.2	A professional accountant in public practice shall not knowingly engage in any business, occupation, or activity that impairs or might impair integrity, objectivity or the good reputation of the profession and as a result would be incompatible with the fundamental principles.		This is not included in the Post-CP Draft Restructured Code but is implied within the overarching requirements to comply with the fundamental principles to avoid repetition

² In Part C and in C1 and C2 “professional accountant” refers to professional accountants in public practice and firms of professional accountants in practice.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
Threats and Safeguards			
200.3	<p>Compliance with the fundamental principles may potentially be threatened by a broad range of circumstances and relationships. The nature and significance of the threats may differ depending on whether they arise in relation to the provision of services to an audit client and whether the audit client is a public interest entity, to an assurance client that is not an audit client, or to a non-assurance client.</p> <p>Threats fall into one or more of the following categories:</p> <p>(a) Self-interest;</p> <p>(b) Self-review;</p> <p>(c) Advocacy;</p> <p>(d) Familiarity; and</p> <p>(e) Intimidation.</p> <p>These threats are discussed further in Part A of this Code.</p>		<p>The Structure Task Force is showing no draft restructured Code for extant sections 200.3 to 200.15 as these sections are currently under review by the Safeguards Task Force. Draft restructured Code will be included in the Structure Task Force material once the Safeguards Task Force has completed its review of the material.</p>
200.4	<p>Examples of circumstances that create self-interest threats for a professional accountant in public practice include:</p> <ul style="list-style-type: none">• A member of the assurance team having a		<p>Text removed as specified above.</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
	<p>direct financial interest in the assurance client.</p> <ul style="list-style-type: none"> • A firm having undue dependence on total fees from a client. • A member of the assurance team having a significant close business relationship with an assurance client. • A firm being concerned about the possibility of losing a significant client. • A member of the audit team entering into employment negotiations with the audit client. • A firm entering into a contingent fee arrangement relating to an assurance engagement. • A professional accountant discovering a significant error when evaluating the results of a previous professional service performed by a member of the professional accountant's firm. 	
200.5	<p>Examples of circumstances that create self-review threats for a professional accountant in public practice include:</p> <ul style="list-style-type: none"> • A firm issuing an assurance report on the effectiveness of the operation of financial systems after designing or implementing the systems. • A firm having prepared the original data used 	Text removed as specified above.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
	<p>to generate records that are the subject matter of the assurance engagement.</p> <ul style="list-style-type: none"> • A member of the assurance team being, or having recently been, a director or officer of the client. • A member of the assurance team being, or having recently been, employed by the client in a position to exert significant influence over the subject matter of the engagement. • The firm performing a service for an assurance client that directly affects the subject matter information of the assurance engagement. 	
200.6	<p>Examples of circumstances that create advocacy threats for a professional accountant in public practice include:</p> <ul style="list-style-type: none"> • The firm promoting shares in an audit client. • A professional accountant acting as an advocate on behalf of an audit client in litigation or disputes with third parties. 	Text removed as specified above.
200.7	<p>Examples of circumstances that create familiarity threats for a professional accountant in public practice include:</p> <ul style="list-style-type: none"> • A member of the engagement team having a close or immediate family member who is a 	Text removed as specified above.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
	<p>director or officer of the client.</p> <ul style="list-style-type: none"> • A member of the engagement team having a close or immediate family member who is an employee of the client who is in a position to exert significant influence over the subject matter of the engagement. • A director or officer of the client or an employee in a position to exert significant influence over the subject matter of the engagement having recently served as the engagement partner. • A professional accountant accepting gifts or preferential treatment from a client, unless the value is trivial or inconsequential. • Senior personnel having a long association with the assurance client. 	
200.8	<p>Examples of circumstances that create intimidation threats for a professional accountant in public practice include:</p> <ul style="list-style-type: none"> • A firm being threatened with dismissal from a client engagement. • An audit client indicating that it will not award a planned non-assurance contract to the firm if the firm continues to disagree with the client's accounting treatment for a particular 	Text removed as specified above.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
	<p>transaction.</p> <ul style="list-style-type: none"> • A firm being threatened with litigation by the client. • A firm being pressured to reduce inappropriately the extent of work performed in order to reduce fees. • A professional accountant feeling pressured to agree with the judgment of a client employee because the employee has more expertise on the matter in question. • A professional accountant being informed by a partner of the firm that a planned promotion will not occur unless the accountant agrees with an audit client's inappropriate accounting treatment. 	
200.9	<p>Safeguards that may eliminate or reduce threats to an acceptable level fall into two broad categories:</p> <p>(a) Safeguards created by the profession, legislation or regulation; and</p> <p>(b) Safeguards in the work environment.</p> <p>Examples of safeguards created by the profession, legislation or regulation are described in paragraph 100.14 of Part A of this Code.</p>	Text removed as specified above.
200.10	A professional accountant in public practice shall	Text removed as

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
	exercise judgment to determine how best to deal with threats that are not at an acceptable level, whether by applying safeguards to eliminate the threat or reduce it to an acceptable level or by terminating or declining the relevant engagement. In exercising this judgment, a professional accountant in public practice shall consider whether a reasonable and informed third party, weighing all the specific facts and circumstances available to the professional accountant at that time, would be likely to conclude that the threats would be eliminated or reduced to an acceptable level by the application of safeguards, such that compliance with the fundamental principles is not compromised. This consideration will be affected by matters such as the significance of the threat, the nature of the engagement and the structure of the firm.	specified above.
200.11	In the work environment, the relevant safeguards will vary depending on the circumstances. Work environment safeguards comprise firm-wide safeguards and engagement-specific safeguards.	Text removed as specified above.
200.12	Examples of firm-wide safeguards in the work environment include: <ul style="list-style-type: none"> • Leadership of the firm that stresses the importance of compliance with the 	Text removed as specified above.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
	<p>fundamental principles.</p> <ul style="list-style-type: none"> • Leadership of the firm that establishes the expectation that members of an assurance team will act in the public interest. • Policies and procedures to implement and monitor quality control of engagements. • Documented policies regarding the need to identify threats to compliance with the fundamental principles, evaluate the significance of those threats, and apply safeguards to eliminate or reduce the threats to an acceptable level or, when appropriate safeguards are not available or cannot be applied, terminate or decline the relevant engagement. • Documented internal policies and procedures requiring compliance with the fundamental principles. • Policies and procedures that will enable the identification of interests or relationships between the firm or members of engagement teams and clients. • Policies and procedures to monitor and, if necessary, manage the reliance on revenue received from a single client. • Using different partners and engagement 	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
	<p>teams with separate reporting lines for the provision of non-assurance services to an assurance client.</p> <ul style="list-style-type: none"> • Policies and procedures to prohibit individuals who are not members of an engagement team from inappropriately influencing the outcome of the engagement. • Timely communication of a firm's policies and procedures, including any changes to them, to all partners and professional staff, and appropriate training and education on such policies and procedures. • Designating a member of senior management to be responsible for overseeing the adequate functioning of the firm's quality control system. • Advising partners and professional staff of assurance clients and related entities from which independence is required. • A disciplinary mechanism to promote compliance with policies and procedures. • Published policies and procedures to encourage and empower staff to communicate to senior levels within the firm any issue relating to compliance with the fundamental principles that concerns them. 	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
200.13	<p>Examples of engagement-specific safeguards in the work environment include:</p> <ul style="list-style-type: none"> • Having a professional accountant who was not involved with the non-assurance service review the non-assurance work performed or otherwise advise as necessary. • Having a professional accountant who was not a member of the assurance team review the assurance work performed or otherwise advise as necessary. • Consulting an independent third party, such as a committee of independent directors, a professional regulatory body or another professional accountant. • Discussing ethical issues with those charged with governance of the client. • Disclosing to those charged with governance of the client the nature of services provided and extent of fees charged. • Involving another firm to perform or re-perform part of the engagement. • Rotating senior assurance team personnel. 	Text removed as specified above.
200.14	Depending on the nature of the engagement, a professional accountant in public practice may also be able to rely on safeguards that the client has	Text removed as specified above.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
	implemented. However it is not possible to rely solely on such safeguards to reduce threats to an acceptable level.	
200.15	<p>Examples of safeguards within the client's systems and procedures include:</p> <ul style="list-style-type: none"> • The client requires persons other than management to ratify or approve the appointment of a firm to perform an engagement. • The client has competent employees with experience and seniority to make managerial decisions. • The client has implemented internal procedures that ensure objective choices in commissioning non-assurance engagements. • The client has a corporate governance structure that provides appropriate oversight and communications regarding the firm's services. 	Text removed as specified above.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
SECTION 210 Professional Appointment		
<i>Client Acceptance</i>		
210.1	Before accepting a new client relationship, a professional accountant in public practice shall determine whether acceptance would create any threats to compliance with the fundamental principles. Potential threats to integrity or professional behavior may be created from, for example, questionable issues associated with the client (its owners, management or activities).	<p>R320.3 A professional accountant shall apply the conceptual framework contained in Section 120 In relation to a professional appointment.</p> <p>320.2 Changes in professional appointments, including accepting a new client or engagement, might create threats to compliance with each of the fundamental principles.</p>
210.2	Client issues that, if known, could threaten compliance with the fundamental principles include, for example, client involvement in illegal activities (such as money laundering), dishonesty or questionable financial reporting practices.	320.3 A1 In some circumstances, acceptance of a new client relationship might create threats to integrity or professional behavior. This might arise, for example, where the client, its owners or management are involved in illegal activities, dishonesty or questionable financial reporting practices.
210.3	A professional accountant in public practice shall evaluate the significance of any threats and apply safeguards when necessary to eliminate them or reduce them to an acceptable level.	See also 300.2 which cross references back to fundamental principles and conceptual framework in R111.1, R111.2, R113.1, R114.1 and

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
			R115.1 and Section 120.
	<p>Examples of such safeguards include:</p> <ul style="list-style-type: none"> Obtaining knowledge and understanding of the client, its owners, managers and those responsible for its governance and business activities; or <p>Securing the client's commitment to improve corporate governance practices or internal controls.</p>	<p>320.3 A1... <i>Examples of safeguards include:</i></p> <ul style="list-style-type: none"> <i>Obtaining knowledge and understanding of the client, its owners, managers and those charged with governance and business activities; or</i> <i>Obtaining the client's commitment to improve corporate governance practices or internal controls.</i> 	
210.4	Where it is not possible to reduce the threats to an acceptable level, the professional accountant in public practice shall decline to enter into the client relationship.		See also 300.2 which cross references back to fundamental principles and conceptual framework in R111.1, R111.2, R113.1, R114.1 and R115.1 and Section 120.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
210.5	It is <u>recommended</u> that a professional accountant in public practice periodically review acceptance decisions for recurring client engagements.	320.3 A2 It is <u>recommended</u> that a professional accountant periodically review acceptance decisions for recurring client engagements.	The TF proposes to retain the extant wording and treat the paragraph as guidance. The TF believes the intention of the extant Code is not to create a requirement.
Engagement Acceptance			
210.6	The fundamental principle of professional competence and due care imposes an obligation on a professional accountant in public practice to provide only those services that the professional accountant in public practice is competent to perform. Before accepting a specific client engagement, a professional accountant in public practice shall determine whether acceptance would create any threats to compliance with the fundamental principles. For example, a self-interest threat to professional competence and due care is created if the engagement team does not possess, or cannot acquire, the competencies necessary to properly carry out the engagement.	320.3 A3 A self-interest threat to professional competence and due care is created if the engagement team does not possess, or acquire, the relevant competencies to perform the professional services. ...	
210.7	A professional accountant in public practice shall		See also R320.3

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	evaluate the significance of threats and apply safeguards, when necessary, to eliminate them or reduce them to an acceptable level.		which refers to Section 120.
	<p>Examples of such safeguards include:</p> <ul style="list-style-type: none"> • Acquiring an appropriate understanding of the nature of the client's business, the complexity of its operations, the specific requirements of the engagement and the purpose, nature and scope of the work to be performed; • Acquiring knowledge of relevant industries or subject matters; • Possessing or obtaining experience with relevant regulatory or reporting requirements; • Assigning sufficient staff with the necessary competencies; • Using experts where necessary; • Agreeing on a realistic time frame for the performance of the engagement; or • Complying with quality control policies and procedures designed to provide reasonable assurance that specific engagements are accepted only when they can be performed competently. 	<p>330.3 A3 <i>Examples of safeguards include:</i></p> <ul style="list-style-type: none"> • <i>Acquiring an appropriate understanding of:</i> <ul style="list-style-type: none"> o <i>The nature of the client's business;</i> o <i>The complexity of its operations;</i> o <i>The requirements of the engagement; and</i> o <i>The purpose, nature and scope of the work to be performed.</i> • <i>Acquiring knowledge of relevant industries or subject matters.</i> • <i>Possessing or obtaining experience with relevant regulatory or reporting requirements.</i> • <i>Assigning sufficient engagement personnel with the necessary competencies.</i> • <i>Agreeing on a realistic time frame for the performance of the engagement.</i> • <i>Complying with quality control policies and procedures designed to provide reasonable assurance that specific engagements are accepted only when they can be performed competently.</i> • <i>Using experts where necessary.</i> 	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
210.8	When a professional accountant in public practice intends to rely on the advice or work of an expert, the professional accountant in public practice shall determine whether such reliance is warranted.	R320.8 When a professional accountant intends to use the work of an expert, the professional accountant shall determine whether the use is warranted.	“Rely” in extant Code replaced with “use” to conform with ISA 620 wording.
	Factors to consider include: reputation, expertise, resources available and applicable professional and ethical standards. Such information may be gained from prior association with the expert or from consulting others.	320.8 A1 Factors to consider when a professional accountant intends to use the work of an expert include: reputation, expertise, resources available and professional and ethical standards. This information might be gained from prior association with the expert or from consulting others.	
Changes in a Professional Appointment			
210.9	A professional accountant in public practice who is asked to replace another professional accountant in public practice, or who is considering tendering for an engagement currently held by another professional accountant in public practice, shall determine whether ...	R320.4 A professional accountant shall determine whether there are any reasons, professional or otherwise, for not accepting an engagement when the professional accountant: (a) Is asked by a potential client to replace another professional accountant; or (b) Considers tendering for an engagement held by another professional accountant; or (c) Considers undertaking work that is complementary or additional to that of another professional accountant.	
	... there are any reasons, professional or otherwise, for not accepting the engagement, such as circumstances that create threats to compliance	320.4 A1 There might be reasons, professional or otherwise, for not accepting an engagement. Such reasons might include circumstances that create threats to compliance	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	with the fundamental principles that cannot be eliminated or reduced to an acceptable level by the application of safeguards. For example, there may be a threat to professional competence and due care if a professional accountant in public practice accepts the engagement before knowing all the pertinent facts.	with the fundamental principles that cannot be eliminated or reduced to an acceptable level by the application of safeguards. For example, there might be a threat to professional competence and due care if a professional accountant accepts the engagement before knowing all the relevant facts.	
210.10	A professional accountant in public practice shall evaluate the significance of any threats. Depending on the nature of the engagement, this may require direct communication with the existing accountant to establish the facts and circumstances regarding the proposed change so that the professional accountant in public practice can decide whether it would be appropriate to accept the engagement. For example, the apparent reasons for the change in appointment may not fully reflect the facts and may indicate disagreements with the existing accountant that may influence the decision to accept the appointment.	320.4 A3 Depending on the nature of the engagement, direct communication with the existing accountant might be needed to establish the circumstances regarding a proposed change in appointment. Such communication might assist a professional accountant to decide whether it would be appropriate to accept the engagement. For example, the apparent reason for the change in appointment might not fully reflect the facts. It might indicate disagreements with the existing accountant that might influence the decision to accept the appointment.	See also R320.3 which refers to Section 120.
210.11	Safeguards shall be applied when necessary to eliminate any threats or reduce them to an acceptable level.	320.4 A2 If a professional accountant is asked to undertake work that is complementary or additional to the work of an existing accountant, threats to professional competence and due care might result, for example, from incomplete information.	See also R320.3 which refers back to 120.
	Examples of such safeguards include:	<u>Examples of safeguards include:</u>	Underlined text is

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	<ul style="list-style-type: none"> When replying to requests to submit tenders, stating in the tender that, before accepting the engagement, contact with the existing accountant will be requested so that inquiries may be made as to whether there are any professional or other reasons why the appointment should not be accepted; Asking the existing accountant to provide known information on any facts or circumstances that, in the existing accountant's opinion, the proposed accountant needs to be aware of before deciding whether to accept the engagement; or Obtaining necessary information from other sources. <p>When the threats cannot be eliminated or reduced to an acceptable level through the application of safeguards, a professional accountant in public practice shall, unless there is satisfaction as to necessary facts by other means, decline the engagement.</p>	<ul style="list-style-type: none"> <i>Stating in tenders that, before accepting the engagement, contact with the existing accountant will be requested. This contact gives the proposed professional accountant the opportunity to inquire whether there are any reasons why the appointment should not be accepted.</i> <i>Asking the existing accountant to provide any known information that, in the existing accountant's opinion, the proposed professional accountant needs to be aware of before deciding whether to accept the engagement.</i> <i><u>Obtaining information from other sources such as through inquiries of third parties or background investigations of senior management or those charged with governance of the client.</u></i> 	derived from 210.14.
210.12	A professional accountant in public practice may be asked to undertake work that is complementary or additional to the work of the existing accountant. Such circumstances may create threats to professional competence and due care resulting	<p>R320.4 A professional accountant shall determine whether there are any reasons, professional or otherwise, for not accepting an engagement when the professional accountant: ...</p> <p>(c) Considers undertaking work that is complementary or</p>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	from, for example, a lack of or incomplete information. The significance of any threats shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an acceptable level. An example of such a safeguard is notifying the existing accountant of the proposed work, which would give the existing accountant the opportunity to provide any relevant information needed for the proper conduct of the work.	<p>additional to that of another professional accountant.</p> <p>320.4 A2 ... Asking the existing accountant to provide any known information that, in the existing accountant's opinion, the proposed professional accountant needs to be aware of before deciding whether to accept the engagement.</p>	
210.13	<p>An existing accountant is bound by confidentiality. Whether that professional accountant is permitted or required to discuss the affairs of a client with a proposed accountant will depend on the nature of the engagement and on:</p> <p>(a) Whether the client's permission to do so has been obtained; or</p> <p>(b) The legal or ethical requirements relating to such communications and disclosure, which may vary by jurisdiction.</p>	<p>320.6 A1 An existing professional accountant is bound by confidentiality. Whether this accountant is permitted or required to discuss the affairs of a client with a proposed professional accountant will depend on:</p> <p>(a) The nature of the engagement;</p> <p>(b) Whether the professional accountant has permission from the client for the discussion; or</p> <p>(c) The legal and ethical requirements relating to such communications and disclosure, which might vary by jurisdiction.</p>	
	<p>Circumstances where the professional accountant is or may be required to disclose confidential information or where such disclosure may otherwise be appropriate are set out in Section 140 of Part A of this Code.</p>	<p>320.6 A2 Circumstances where a professional accountant might be required to disclose confidential information, or where disclosure might be appropriate, are contained in paragraph 114.2 A2 and 114.2 A3 of this Code.</p>	
210.14	A professional accountant in public practice <u>will</u>	320.4 A4 A professional accountant will <u>generally</u>	The TF proposes to

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
	<p>generally <u>need to</u> obtain the client's permission, preferably in writing, to initiate discussion with an existing accountant. Once that permission is obtained, the existing accountant shall comply with relevant legal and other regulations governing such requests. Where the existing accountant provides information, it shall be provided honestly and unambiguously. If the proposed accountant is unable to communicate with the existing accountant, the proposed accountant shall take reasonable steps to obtain information about any possible threats by other means, such as through inquiries of third parties or background investigations of senior management or those charged with governance of the client.</p>	<p>retain the extant wording and treat the paragraph as guidance.</p>
	<p>R320.6 When an existing professional accountant is asked to respond to a communication from a proposed accountant, the existing professional accountant shall:</p> <p>(a) Comply with relevant law and regulation governing the request; and</p> <p>(b) Provide any information honestly and unambiguously.</p>	
	<p>R320.5 If unable to communicate with the existing accountant, the proposed professional accountant shall take other reasonable steps to obtain information about any possible threats to compliance with the fundamental principles.</p>	
	<p>320.4 A2 If a professional accountant is asked to undertake work that is complementary or additional to the work of an existing accountant, threats to professional competence and due care might result, for example, from incomplete information.</p> <p><i>Examples of safeguards include:</i></p> <p><i>Obtaining information from other sources such as through inquiries of third parties or background investigations of senior management or those charged with governance of the client.</i></p>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
SECTION 220 Conflicts of Interest			
220.1	A professional accountant in public practice may be faced with a conflict of interest when performing a professional service. A conflict of interest creates a threat to objectivity and may create threats to the other fundamental principles.	310.2 When performing professional services, professional accountants might face circumstances that cause a conflict of interest. A conflict of interest creates a threat to objectivity and might create threats to the other fundamental principles.	
	Such threats may be created when: <ul style="list-style-type: none">The professional accountant provides a professional service related to a particular matter for two or more clients whose interests with respect to that matter are in conflict; orThe interests of the professional accountant with respect to a particular matter and the interests of the client for whom the professional accountant provides a professional service related to that matter are in conflict.	310.3 A conflict of interest might arise when: <ul style="list-style-type: none">The professional accountant provides a professional service related to a particular matter for two or more clients whose interests with respect to that matter are in conflict; orThe interests of the professional accountant with respect to a particular matter and the interests of the client for whom the professional accountant provides a professional service related to that matter are in conflict.	
	A professional accountant shall not allow a conflict of interest to compromise professional or business judgment.	R310.5 A professional accountant shall not allow a conflict of interest to compromise professional or business judgment.	
	When the professional service is an assurance service, compliance with the fundamental principle of objectivity also requires being independent of assurance clients in accordance with Sections 290	310.4 When a professional accountant provides an assurance service, compliance with the fundamental principle of objectivity also requires being independent of assurance clients in accordance with C1 and C2, as appropriate.	

VERSION 4 Tranches I and II August 25, 2015

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	or 291 as appropriate.		
220.2	<p>Examples of situations in which conflicts of interest may arise include:</p> <ul style="list-style-type: none"> • Providing a transaction advisory service to a client seeking to acquire an audit client of the firm, where the firm has obtained confidential information during the course of the audit that may be relevant to the transaction. • Advising two clients at the same time who are competing to acquire the same company where the advice might be relevant to the parties' competitive positions. • Providing services to both a vendor and a purchaser in relation to the same transaction. • Preparing valuations of assets for two parties who are in an adversarial position with respect to the assets. • Representing two clients regarding the same matter who are in a legal dispute with each other, such as during divorce proceedings or the dissolution of a partnership. • Providing an assurance report for a licensor on royalties due under a license agreement when at the same time advising the licensee of the correctness of the amounts payable. 	<p>310.6 A2 Circumstances that might create a conflict of interest include:</p> <ul style="list-style-type: none"> • Providing a transaction advisory service to a client seeking to acquire an audit client, where the firm has obtained confidential information during the course of the audit that might be relevant to the transaction. • Advising two clients at the same time who are competing to acquire the same company, where the advice might be relevant to the parties' competitive positions. • Providing services to a seller and a buyer in relation to the same transaction. • Preparing valuations of assets for two parties who are in an adversarial position with respect to the assets. • Representing two clients in the same matter who are in a legal dispute with each other, such as during divorce proceedings or the dissolution of a partnership. • In relation to a license agreement, providing an assurance report for a licensor on the royalties due while advising the licensee on the amounts payable. • Advising a client to invest in a business in which, for example, the spouse of the professional accountant has a financial interest. • Providing strategic advice to a client on its competitive position while having a joint venture or similar interest with a 	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
	<ul style="list-style-type: none"> • Advising a client to invest in a business in which, for example, the spouse of the professional accountant in public practice has a financial interest. • Providing strategic advice to a client on its competitive position while having a joint venture or similar interest with a major competitor of the client. • Advising a client on the acquisition of a business which the firm is also interested in acquiring. • Advising a client on the purchase of a product or service while having a royalty or commission agreement with one of the potential vendors of that product or service. 	<p>major competitor of the client.</p> <ul style="list-style-type: none"> • Advising a client on acquiring a business which the firm is also interested in acquiring. • Advising a client on buying a product or service while having a royalty or commission agreement with a potential seller of that product or service.
220.3	<p>When identifying and evaluating the interests and relationships that might create a conflict of interest and implementing safeguards, when necessary, to eliminate or reduce any threat to compliance with the fundamental principles to an acceptable level, a professional accountant in public practice shall exercise professional judgment and take into account whether a reasonable and informed third party, weighing all the specific facts and circumstances available to the professional accountant at the time, would be likely to conclude that compliance with the fundamental principles is</p>	<p>R310.9 A professional accountant shall apply the conceptual framework contained in Section 120 in relation to a conflict of interest.</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	not compromised.		
220.4	When addressing conflicts of interest, including making disclosures or sharing information within the firm or network and seeking guidance of third parties, the professional accountant in public practice shall remain alert to the fundamental principle of confidentiality.	R310.12 A professional accountant shall remain alert to the fundamental principle of confidentiality including when making disclosures or sharing information within the firm or network and seeking guidance of third parties.	
220.5	If the threat created by a conflict of interest is not at an acceptable level, the professional accountant in public practice shall apply safeguards to eliminate the threat or reduce it to an acceptable level. If safeguards cannot reduce the threat to an acceptable level, the professional accountant shall decline to perform or shall discontinue professional services that would result in the conflict of interest; or shall terminate relevant relationships or dispose of relevant interests to eliminate the threat or reduce it to an acceptable level.		See R320.3 which refers back to Section 120 the conceptual framework
220.6	Before accepting a new client relationship, engagement, or business relationship, a professional accountant in public practice shall take reasonable steps to identify circumstances that might create a conflict of interest,	R310.6 Before accepting a new client relationship, engagement, or business relationship, a professional accountant shall take reasonable steps to identify circumstances that might create a conflict of interest.	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	including identification of: <ul style="list-style-type: none"> The nature of the relevant interests and relationships between the parties involved; and The nature of the service and its implication for relevant parties. 	310.6 A1 The steps that a professional accountant might take to identify circumstances that might create a conflict of interest before accepting a new client relationship, engagement, or business relationship, include identifying: <ul style="list-style-type: none"> Relevant interests; Relationships between the parties involved; and The service and its implication for relevant parties. 	
	The nature of the services and the relevant interests and relationships may change during the course of the engagement. This is particularly true when a professional accountant is asked to conduct an engagement in a situation that may become adversarial, even though the parties who engage the professional accountant may not initially be involved in a dispute. The professional accountant shall remain alert to such changes for the purpose of identifying circumstances that might create a conflict of interest.	310.7 A1 The nature of the services and the interests and relationships might change during the engagement. This is often true in a situation that might become adversarial, although there is no dispute when the engagement begins. This requires the professional accountant to remain alert to changes to identify circumstances that might create a conflict of interest.	
		R310.7 A professional accountant shall remain alert to changes in the circumstances that might create a conflict of interest during an engagement.	
220.7	For the purpose of identifying interests and relationships that might create a conflict of interest, having an effective conflict identification process assists a professional accountant in public practice to identify actual or potential conflicts of interest prior to determining whether to accept an engagement and throughout an engagement. This includes matters identified by external parties, for	310.6 A3 Professional accountants are assisted by having an effective conflict identification process in place. This might include matters identified by external parties, for example clients or potential clients. A conflict identification process might assist a professional accountant to identify interests and relationships that might create an actual or potential conflict of interest, both before determining whether to accept an engagement and throughout the engagement. The earlier an	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	example clients or potential clients. The earlier an actual or potential conflict of interest is identified, the greater the likelihood of the professional accountant being able to apply safeguards, when necessary, to eliminate the threat to objectivity and any threat to compliance with other fundamental principles or reduce it to an acceptable level.	actual or potential conflict of interest is identified, the greater the likelihood of the professional accountant being able to apply safeguards to eliminate the threat.	
	<p>The process to identify actual or potential conflicts of interest will depend on such factors as:</p> <ul style="list-style-type: none"> • The nature of the professional services provided. • The size of the firm. • The size and nature of the client base. <p>The structure of the firm, for example, the number and geographic location of offices.</p>	<p>The process to identify actual or potential conflicts of interest will depend on such factors as the:</p> <ul style="list-style-type: none"> • Nature of the professional services provided. • Size of the firm. • Size and nature of the client base. • Structure of the firm, for example, the number and geographic location of offices. 	
220.8	If the firm is a member of a network, conflict identification shall include any conflicts of interest that the professional accountant in public practice has reason to believe may exist or might arise due to interests and relationships of a network firm.	R310.8 If the firm is a member of a network, a professional accountant shall consider conflicts of interest that the professional accountant has reason to believe might exist or might arise due to interests and relationships of a network firm.	
	Reasonable steps to identify such interests and relationships involving a network firm will depend on factors such as the nature of the professional services provided, the clients served by the network and the geographic locations of all	<p>310.8 A1 Reasonable steps to identify interests and relationships involving a network firm will depend on factors such as:</p> <ul style="list-style-type: none"> • The nature of the professional services provided; 	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	relevant parties.	<ul style="list-style-type: none"> The clients served by the network; and The geographic locations of all relevant parties. 	
220.9	<p>If a conflict of interest is identified, the professional accountant in public practice shall evaluate:</p> <ul style="list-style-type: none"> The significance of relevant interests or relationships; and The significance of the threats created by performing the professional service or services. 	<p>310.9 A1 Factors that might be considered when evaluating a threat created by a conflict of interest include the significance of:</p> <ul style="list-style-type: none"> The interests or relationships; and The threats created by performing the professional services. 	
	<p>In general, the more direct the connection between the professional service and the matter on which the parties' interests are in conflict, the more significant the threat to objectivity and compliance with the other fundamental principles will be.</p>	<p>310.9 A2 In general, the more direct the connection between the professional service and the matter on which the parties' interests conflict, the more significant the threat to objectivity and compliance with the other fundamental principles will be.</p>	
220.10	<p>The professional accountant in public practice shall apply safeguards, when necessary, to eliminate the threats to compliance with the fundamental principles created by the conflict of interest or reduce them to an acceptable level.</p>		General requirement to apply the conceptual framework included as a result of the restructure,
	<p>Examples of safeguards include:</p> <ul style="list-style-type: none"> Implementing mechanisms to prevent unauthorized disclosure of confidential information when performing professional 	<p>310.9 A3 <i>Examples of safeguards include:</i></p> <ul style="list-style-type: none"> <i>Implementing measures to prevent unauthorized disclosure of confidential information, when performing professional services related to a particular matter for two or more clients</i> 	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
	<p>services related to a particular matter for two or more clients whose interests with respect to that matter are in conflict. This could include:</p> <ul style="list-style-type: none"> ○ Using separate engagement teams who are provided with clear policies and procedures on maintaining confidentiality. ○ Creating separate areas of practice for specialty functions within the firm, which may act as a barrier to the passing of confidential client information from one practice area to another within a firm. ○ Establishing policies and procedures to limit access to client files, the use of confidentiality agreements signed by employees and partners of the firm and/or the physical and electronic separation of confidential information. • Regular review of the application of safeguards by a senior individual not involved with the client engagement or engagements. • Having a professional accountant who is not involved in providing the service or otherwise affected by the conflict, review the work performed to assess whether the key judgments and conclusions are appropriate. <p>Consulting with third parties, such as a professional body, legal counsel or another</p>	<p><i>whose interests with respect to that matter are in conflict. This could include:</i></p> <ul style="list-style-type: none"> ○ <i>Using separate engagement teams who are provided with clear policies and procedures on maintaining confidentiality.</i> ○ <i>Creating separate practice areas for specialty functions within the firm, which might act as a barrier to the passing of confidential client information between practice areas.</i> ○ <i>Establishing policies and procedures to limit access to client files.</i> ○ <i>Using confidentiality agreements signed by personnel and partners of the firm.</i> ○ <i>Separating confidential information physically and electronically.</i> • <i>Reviewing regularly the application of safeguards by a senior individual not involved with the client engagement or engagements.</i> • <i>Having a professional accountant who is not involved in providing the service or otherwise affected by the conflict, review the work performed to assess whether the key judgments and conclusions are appropriate.</i> • <i>Consulting third parties, such as a professional body, legal counsel or another professional accountant.</i>

VERSION 4 Tranches I and II August 25, 2015

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	professional accountant.		
220.11		R310.10 A professional accountant shall exercise professional judgment to determine whether the nature and significance of a conflict of interest is such that specific disclosure and explicit consent is necessary.	Inclusion of additional paragraph to reflect the need to apply the conceptual framework.
	In addition, it is <u>generally necessary</u> to disclose the nature of the conflict of interest and the related safeguards, if any, to clients affected by the conflict and, when safeguards are required to reduce the threat to an acceptable level, to obtain their consent to the professional accountant in public practice performing the professional services.	310.10 A1 It is <u>generally necessary</u> : <ul style="list-style-type: none"> To disclose the nature of the conflict of interest and any related safeguards to clients affected by the conflict; and When safeguards are required, to reduce the threat to an acceptable level, to obtain the consent of the affected clients to perform the professional services. 	The Task Force proposes to treat the paragraph as guidance. Reference to the application of the word “generally” has been included in the Guide to the Code.
	Disclosure and consent may take different forms, for example: <ul style="list-style-type: none"> General disclosure to clients of circumstances where the professional accountant, in keeping with common commercial practice, does not provide services exclusively for any one client (for example, in a particular service in a particular market sector) in order for the client to provide general consent accordingly. Such disclosure might, for example, be made in the professional accountant’s standard terms and 	Disclosure and consent might take different forms, for example: <ul style="list-style-type: none"> General consent might be obtained from clients by disclosing circumstances where, as is common commercial practice, the professional accountant does not provide professional services exclusively to any one client (for example, in a particular professional service and market sector). For example, a professional accountant might make general disclosure in the standard terms and conditions for the engagement. Specific consent might be obtained by disclosing, to affected clients, the circumstances of the particular conflict 	

VERSION 4 Tranches I and II August 25, 2015

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
	<p>conditions for the engagement.</p> <ul style="list-style-type: none"> • Specific disclosure to affected clients of the circumstances of the particular conflict, including a detailed presentation of the situation and a comprehensive explanation of any planned safeguards and the risks involved, sufficient to enable the client to make an informed decision with respect to the matter and to provide explicit consent accordingly. • In certain circumstances, consent may be implied by the client's conduct where the professional accountant has sufficient evidence to conclude that clients know the circumstances at the outset and have accepted the conflict of interest if they do not raise an objection to the existence of the conflict. . 	
	<p>The professional accountant shall determine whether the nature and significance of the conflict of interest is such that specific disclosure and explicit consent is necessary. For this purpose, the professional accountant shall exercise professional judgment in weighing the outcome of the evaluation of the circumstances that create a conflict of interest, including the parties that might be affected, the nature of the issues that might arise and the potential for the particular matter to</p>	<p>310.10 A2 When determining whether specific disclosure and explicit consent, are necessary, the conceptual framework requires the professional accountant to exercise professional judgment and consider all the circumstances that create a conflict of interest. Factors to consider include the parties that might be affected, the nature of the issues that might arise and the potential for the particular matter to develop in an unexpected manner.</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	develop in an unexpected manner		
220.12	Where a professional accountant in public practice has requested explicit consent from a client and that consent has been refused by the client, the professional accountant shall decline to perform or shall discontinue professional services that would result in the conflict of interest; or shall terminate relevant relationships or dispose of relevant interests to eliminate the threat or reduce it to an acceptable level, such that consent can be obtained, after applying any additional safeguards if necessary.	<p>R310.11 If a professional accountant has determined that explicit consent is necessary in accordance with R310.10 and the client has refused, the professional accountant shall either:</p> <p>(a) Decline to perform or discontinue professional services that would result in the conflict of interest;</p> <p>(b) End relevant relationships; or</p> <p>(c) Dispose of relevant interests to eliminate the threat or reduce it to an acceptable level, so that consent can be obtained, after applying any additional safeguards if necessary.</p>	
220.13	When disclosure is verbal, or consent is verbal or implied, the professional accountant in public practice <u>is encouraged to</u> document the nature of the circumstances giving rise to the conflict of interest, the safeguards applied to reduce the threats to an acceptable level and the consent obtained.	<p>310.10 A3 If disclosure or consent is not in writing, the professional accountant <u>is encouraged to</u> document:</p> <ul style="list-style-type: none"> • The nature of the circumstances giving rise to the conflict of interest; • The safeguards applied to reduce the threats to an acceptable level; and • The consent obtained. 	<p>The TF proposes to retain the extant wording and treat the paragraph as guidance material.</p> <p>The TF believes that the intention of the extant Code is not to create a requirement.</p> <p>See also paragraph 8 of the Guide to the Code.</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
220.14	<p>In certain circumstances, making specific disclosure for the purpose of obtaining explicit consent would result in a breach of confidentiality. Examples of such circumstances may include:</p> <ul style="list-style-type: none"> • Performing a transaction-related service for a client in connection with a hostile takeover of another client of the firm. • Performing a forensic investigation for a client in connection with a suspected fraudulent act where the firm has confidential information obtained through having performed a professional service for another client who might be involved in the fraud. 	<p>310.13 A1 For example, a breach of confidentiality might arise when seeking consent to perform:</p> <ul style="list-style-type: none"> • A transaction-related service for a client in a hostile takeover of another client of the firm. • A forensic investigation for a client of a suspected fraud, where the firm has confidential information from its work for another client who might be involved in the fraud. 	
	<p>The firm shall not accept or continue an engagement under such circumstances unless the following conditions are met:</p> <ul style="list-style-type: none"> • The firm does not act in an advocacy role for one client where this requires the firm to assume an adversarial position against the other client with respect to the same matter; • Specific mechanisms are in place to prevent disclosure of confidential information between the engagement teams serving the two clients; and • The firm is satisfied that a reasonable and informed third party, weighing all the specific 	<p>R310.13 When making specific disclosure for the purpose of obtaining explicit consent would result in a breach of confidentiality, the firm shall not accept or continue an engagement unless:</p> <p>(a) The firm does not act in an advocacy role for one client in an adversarial position against another client in the same matter;</p> <p>(b) Specific measures are in place to prevent disclosure of confidential information between the engagement teams serving the two clients;</p> <p>(c) The firm is satisfied that a reasonable and informed third party would be likely to conclude that it is appropriate for the firm to accept or continue the engagement because a</p>	

VERSION 4 Tranches I and II August 25, 2015

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	facts and circumstances available to the professional accountant in public practice at the time, would be likely to conclude that it is appropriate for the firm to accept or continue the engagement because a restriction on the firm's ability to provide the service would produce a disproportionate adverse outcome for the clients or other relevant third parties.	restriction on the firm's ability to provide the professional service would produce a disproportionate adverse outcome for the clients or other relevant third parties;	
	The professional accountant shall document the nature of the circumstances, including the role that the professional accountant is to undertake, the specific mechanisms in place to prevent disclosure of information between the engagement teams serving the two clients and the rationale for the conclusion that it is appropriate to accept the engagement.	R310.14 The professional accountant shall document: <ul style="list-style-type: none"> (a) The nature of the circumstances, including the role that the professional accountant is to undertake; (b) The specific measures in place to prevent disclosure of information between the engagement teams serving the two clients; and (c) Why it is appropriate to accept the engagement 	
SECTION 230 Second Opinions			
230.1	Situations where a professional accountant in public practice is asked to provide a second opinion on the application of accounting, auditing, reporting or other standards or principles to specific circumstances or transactions by or on behalf of a company or an entity that is not an existing client may create threats to compliance with the fundamental principles.	320.7 A1 Professional accountants might be asked to provide a second opinion on the application of accounting, auditing, reporting or other standards or principles to specific circumstances or transactions by or on behalf of a company or an entity that is not an existing client.	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	For example, there may be a threat to professional competence and due care in circumstances where the second opinion is not based on the same set of facts that were made available to the existing accountant or is based on inadequate evidence. The existence and significance of any threat will depend on the circumstances of the request and all the other available facts and assumptions relevant to the expression of a professional judgment.	320.7 A2 Providing a second opinion to an entity that is not an existing client might create threats to compliance with the fundamental principles. For example, there might be a threat to professional competence and due care if the second opinion is not based on the same facts and assumptions that the existing accountant had, or is based on inadequate evidence. ...	Put back into text
230.2	When asked to provide such an opinion, a professional accountant in public practice shall evaluate the significance of any threats and apply safeguards when necessary to eliminate them or reduce them to an acceptable level. Examples of such safeguards include seeking client permission to contact the existing accountant, describing the limitations surrounding any opinion in communications with the client and providing the existing accountant with a copy of the opinion.	<p>320.7 A2... The existence and significance of the threat depends on the circumstances of the request and all the other available facts and assumptions relevant to the expression of a professional judgment.</p> <p><i>Examples of safeguards include:</i></p> <ul style="list-style-type: none"> • <i>Seeking client permission to contact the existing accountant;</i> • <i>Describing the limitations surrounding any opinion in communications with the client; and</i> • <i>Providing the existing accountant with a copy of the opinion.</i> 	See R320.3 which refers back to Section 120 the conceptual framework
230.3	If the company or entity seeking the opinion will not permit communication with the existing accountant, a professional accountant in public practice shall determine whether, taking all the circumstances into account, it is appropriate to provide the opinion sought.	R320.7 If an entity seeking a second opinion from a professional accountant will not permit the professional accountant to communicate with the existing accountant, the professional accountant shall determine whether, taking all the circumstances into account, the professional accountant may provide the second opinion sought and remain in compliance	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
		with the fundamental principles.	
SECTION 240 Fees and Other Types of Remuneration			
240.1	When entering into negotiations regarding professional services, a professional accountant in public practice may quote whatever fee is deemed appropriate. The fact that one professional accountant in public practice may quote a fee lower than another is not in itself unethical. Nevertheless, there may be threats to compliance with the fundamental principles arising from the level of fees quoted. For example, a self-interest threat to professional competence and due care is created if the fee quoted is so low that it may be difficult to perform the engagement in accordance with applicable technical and professional standards for that price.	330.2 The level and nature of fee and other remuneration arrangements might create threats to each of the fundamental principles.	
		330.3 A1 The level of fees quoted might impact a professional accountant's ability to perform professional services in accordance with professional standards.	
		330.3 A2 A professional accountant may quote whatever fee is considered appropriate. Quoting a fee lower than another professional accountant is not in itself unethical. However, fee quotations might create a threat to professional competence and due care if the fee quoted is so low that it might be difficult to perform the engagement in accordance with applicable technical and professional standards for that price. ...	
240.2	The existence and significance of any threats created will depend on factors such as the level of fee quoted and the services to which it applies. The significance of any threat shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an acceptable level.		Inclusion of additional paragraph to reflect the need to apply the conceptual framework. See also R330.3 which refers back to Section 120, the conceptual

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
			framework approach.
	<p>Examples of such safeguards include:</p> <ul style="list-style-type: none"> • Making the client aware of the terms of the engagement and, in particular, the basis on which fees are charged and which services are covered by the quoted fee; or • Assigning appropriate time and qualified staff to the task. 	<p>330.3 A2 <i>Examples of safeguards include:</i></p> <ul style="list-style-type: none"> • <i>Making the client aware of the terms of the engagement and, in particular, the basis on which fees are charged and which professional services the quoted fee covers; or</i> • <i>Assigning appropriate time and qualified personnel to the task.</i> 	
240.3	<p>Contingent fees are widely used for certain types of non-assurance engagements. They may, however, create threats to compliance with the fundamental principles in certain circumstances. They may create a self-interest threat to objectivity. The existence and significance of such threats will depend on factors including:</p> <ul style="list-style-type: none"> • The nature of the engagement. • The range of possible fee amounts. • The basis for determining the fee. • Whether the outcome or result of the transaction is to be reviewed by an independent third party. 	<p>330.3 A3 Contingent fees are widely used for some non-assurance services. However, contingent fees might create threats to compliance with the fundamental principles, particularly a self-interest threat to objectivity, in certain circumstances. The existence and significance of such threats will depend on factors including:</p> <ul style="list-style-type: none"> • The nature of the engagement. • The range of possible fee amounts. • The basis for determining the fee. • Whether the outcome or result of the transaction is to be reviewed by an independent third party. 	See also R330.3 which refers back to Section 120, the conceptual framework approach.
240.4	The significance of any such threats shall be evaluated and safeguards applied when necessary	330.3 A3... <i>Examples of safeguards include:</i>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	<p>to eliminate or reduce them to an acceptable level. Examples of such safeguards include:</p> <ul style="list-style-type: none"> • An advance written agreement with the client as to the basis of remuneration; • Disclosure to intended users of the work performed by the professional accountant in public practice and the basis of remuneration; • Quality control policies and procedures; or • Review by an independent third party of the work performed by the professional accountant in public practice. 	<ul style="list-style-type: none"> • <i>An advance written agreement with the client on the basis of remuneration;</i> • <i>Disclosure to intended users of the work performed by the professional accountant and the basis of remuneration;</i> • <i>Quality control policies and procedures; or</i> • <i>Review by an independent third party of the work performed by the professional accountant.</i> 	
Footnote to 240.3	Contingent fees for non-assurance services provided to audit clients and other assurance clients are discussed in Sections 290 and 29 of this Code.	330.3 A4 Contingent fees for non-assurance services provided to audit clients and other assurance clients are contained in C1 and C2 of this Code.	
240.5	In certain circumstances, a professional accountant in public practice may receive a referral fee or commission relating to a client.	330.3 A5 A self-interest threat to objectivity and professional competence and due care is created if a professional accountant receives a referral fee or commission relating to a client.	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	For example, where the professional accountant in public practice does not provide the specific service required, a fee may be received for referring a continuing client to another professional accountant in public practice or other expert. A professional accountant in public practice may receive a commission from a third party (for example, a software vendor) in connection with the sale of goods or services to a client. Accepting such a referral fee or commission creates a self-interest threat to objectivity and professional competence and due care.	For example, such referral fees or commissions include: <ul style="list-style-type: none"> • A fee received for referring a continuing client to another professional accountant or other expert where the professional accountant does not provide the specific professional service required by the client; or • A commission received from a third party (for example, a software vendor) in connection with the sale of goods or services to a client. 	
240.6	A professional accountant in public practice may also pay a referral fee to obtain a client, for example, where the client continues as a client of another professional accountant in public practice but requires specialist services not offered by the existing accountant. The payment of such a referral fee also creates a self-interest threat to objectivity and professional competence and due care.	330.3 A6 A self-interest threat to objectivity and professional competence and due care is also created if a professional accountant pays a referral fee to obtain a client. For example, such a referral fee includes a fee that is paid when the client continues as a client of another professional accountant but requires specialist services not offered by the existing accountant.	
240.7	The significance of the threat shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an acceptable level.		General requirement to apply the conceptual framework.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	<p>Examples of such safeguards include:</p> <ul style="list-style-type: none"> Disclosing to the client any arrangements to pay a referral fee to another professional accountant for the work referred; Disclosing to the client any arrangements to receive a referral fee for referring the client to another professional accountant in public practice; or <p>Obtaining advance agreement from the client for commission arrangements in connection with the sale by a third party of goods or services to the client.</p>	<p>330.3 A7 <i>Examples of safeguards include:</i></p> <ul style="list-style-type: none"> <i>Disclosing to the client any arrangements to pay a referral fee to another professional accountant for the work referred;</i> <i>Disclosing to the client any arrangements to receive a referral fee for referring the client to another professional accountant; or</i> <i>Obtaining advance agreement from the client for commission arrangements in connection with the sale by a third party of goods or services to the client.</i> 	
240.8	<p>A professional accountant in public practice may purchase all or part of another firm on the basis that payments will be made to individuals formerly owning the firm or to their heirs or estates. Such payments are not regarded as commissions or referral fees for the purpose of paragraphs 240.5-240.7 above.</p>	<p>330.3 A8 A professional accountant may purchase all or part of another firm on the basis that payments will be made to individuals formerly owning the firm or to their heirs or estates. Such payments are not referral fees or commissions for the purpose of paragraph R330.3.</p>	
SECTION 250 Marketing Professional Services			
250.1	<p>When a professional accountant in public practice solicits new work through advertising or other forms of marketing, there may be a threat to compliance with the fundamental principles. For example, a self-interest threat to compliance with</p>		<p>Paragraph not included as it duplicates the requirement in</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	the principle of professional behavior is created if services, achievements, or products are marketed in a way that is inconsistent with that principle.		Subsection115
250.2	<p>A professional accountant in public practice shall not bring the profession into disrepute when marketing professional services. The professional accountant in public practice shall be honest and truthful, and not:</p> <p>(a) Make exaggerated claims for services offered, qualifications possessed, or experience gained; or</p> <p>(b) Make disparaging references or unsubstantiated comparisons to the work of another.</p> <p>If the professional accountant in public practice is in doubt about whether a proposed form of advertising or marketing is appropriate, the professional accountant in public practice shall consider consulting with the relevant professional body.</p>	<p>R115.2 When marketing or promoting themselves and their work, professional accountants shall not bring the profession into disrepute. Professional accountants shall be honest and truthful and shall not make:</p> <p>(a) Exaggerated claims for:</p> <p>(i) The services they are able to offer;</p> <p>(ii) Their qualifications; or</p> <p>(iii) Their experience.</p> <p>(b) Disparaging references or unsubstantiated comparisons to the work of others.</p>	
		<p>R115.3 If a professional accountant is in doubt about whether a form of advertising or marketing is appropriate, the professional accountant shall consider consulting with the professional body.</p>	
SECTION 260 Gifts and Hospitality			
260.1	A professional accountant in public practice, or an immediate or close family member, may be offered gifts and hospitality from a client. Such an offer may create threats to compliance with the	340.2 An offer of gifts or hospitality from a client might create a self-interest or familiarity threat to objectivity if the offer is accepted or an intimidation threat to objectivity if the acceptance of the offer might be made public.	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	fundamental principles. For example, a self-interest or familiarity threat to objectivity may be created if a gift from a client is accepted; an intimidation threat to objectivity may result from the possibility of such offers being made public.		
260.2	The existence and significance of any threat will depend on the nature, value, and intent of the offer. Where gifts or hospitality are offered that a reasonable and informed third party, weighing all the specific facts and circumstances, would consider trivial and inconsequential, a professional accountant in public practice may conclude that the offer is made in the normal course of business without the specific intent to influence decision making or to obtain information. In such cases, the professional accountant in public practice may generally conclude that any threat to compliance with the fundamental principles is at an acceptable level.	340.3 A1 The existence and significance of a threat created by an offer of a gift or hospitality from a client will depend on the nature, value, and intent of the offer. In some cases, a reasonable and informed third party, would consider some gifts or hospitality to be trivial and inconsequential. In such cases, a professional accountant may generally conclude that the offer is made in the normal course of business without intent to influence decision making or to obtain information and conclude that any threat to compliance with the fundamental principles is at an acceptable level.	.
260.3	A professional accountant in public practice shall evaluate the significance of any threats and apply safeguards when necessary to eliminate the threats or reduce them to an acceptable level. When the threats cannot be eliminated or reduced to an acceptable level through the application of safeguards, a professional accountant in public practice shall not accept such an offer.	R340.3 A professional accountant shall apply the conceptual framework contained in Section 120 in relation to gifts and hospitality.	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
SECTION 270 Custody of Client Assets			
270.1	A professional accountant in public practice shall not assume custody of client monies or other assets unless permitted to do so by law and, if so, in compliance with any additional legal duties imposed on a professional accountant in public practice holding such assets.	R350.4 A professional accountant shall not assume custody of client money or other assets unless permitted to do so by law. A professional accountant shall also comply with any legal duties relating to the holding of such assets.	
		350.3 A1 A professional accountant might also be bound by law that establishes who may take custody of client money or other assets and under what conditions such custody may be taken.	
270.2	The holding of client assets creates threats to compliance with the fundamental principles; for example, there is a self-interest threat to professional behavior and may be a self-interest threat to objectivity arising from holding client assets.	350.2 Holding client assets creates threats to compliance with the fundamental principles, for example a self-interest threat to professional behavior and objectivity.	
	A professional accountant in public practice entrusted with money (or other assets) belonging to others shall therefore: (a) Keep such assets separately from personal or firm assets; (b) Use such assets only for the purpose for which they are intended; (c) At all times be ready to account for those assets and any income, dividends, or gains	R350.6 A professional accountant entrusted with money or other assets belonging to others shall: (a) Keep the assets separately from personal or firm assets; (b) Use the assets only for the purpose for which they are intended; (c) Be ready at all times to account for the assets and any income, dividends, or gains generated, to any individuals entitled to that accounting; and	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	<p>generated, to any persons entitled to such accounting; and</p> <p>(d) Comply with all relevant laws and regulations relevant to the holding of and accounting for such assets.</p>	<p>(d) Comply with the laws and regulations relevant to holding and accounting for the assets.</p>	
270.3	As part of client and engagement acceptance procedures for services that may involve the holding of client assets, a professional accountant in public practice shall make appropriate inquiries about the source of such assets and consider legal and regulatory obligations.	<p>R350.5 As part of client and engagement acceptance procedures in relation to assuming custody of client money or assets, a professional accountant shall:</p> <p>(a) Make inquiries about the source of the assets; and</p> <p>(b) Consider related legal and regulatory obligations.</p>	
	For example, if the assets were derived from illegal activities, such as money laundering, a threat to compliance with the fundamental principles would be created. In such situations, the professional accountant may consider seeking legal advice.	<p>350.5 A1 Inquiries about the source of client assets might reveal, for example, that the assets were derived from illegal activities, such as money laundering. In such situations, a threat to compliance with the fundamental principles would be created and the professional accountant may consider seeking legal advice.</p>	
280 Objectivity—All Services			
280.1	A professional accountant in public practice shall determine when providing any professional service whether there are threats to compliance with the fundamental principle of objectivity resulting from having interests in, or relationships with, a client or its directors, officers or employees. <u>For example, a familiarity threat to objectivity may be created from</u>	<p>R112.2 A professional accountant shall not undertake a professional activity if a circumstance or relationship unduly influences the accountant’s professional judgment regarding that activity.</p>	The underlined text is contained in 112.2 A1.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	<u>a family or close personal or business relationship.</u>		
280.2	A professional accountant in public practice who provides an assurance service shall be independent of the assurance client. Independence of mind and in appearance is necessary to enable the professional accountant in public practice to express a conclusion, and be seen to express a conclusion, without bias, conflict of interest, or undue influence of others. Sections 290 and 291 provide specific guidance on independence requirements for professional accountants in public practice when performing assurance engagements.	R112.3 A professional accountant in public practice who provides an assurance service shall be independent of the assurance client.	
		112.3 A1 Independence of mind and in appearance is necessary to enable the professional accountant to express, and be seen to express, an objective conclusion when providing an assurance service. Such a conclusion is one without bias, conflict of interest or undue influence of others.	
		112.3 A2 C1 and C2 contain independence requirements and application material for professional accountants in public practice.	
280.3	The existence of threats to objectivity when providing any professional service will depend upon the particular circumstances of the engagement and the nature of the work that the professional accountant in public practice is performing.	112.2 A1 ... The existence of threats to objectivity when undertaking any professional activity will depend upon the circumstances of the engagement and the nature of the work. For example, a familiarity threat to objectivity might be created from a family or close personal or business relationship.	
280.4	A professional accountant in public practice shall evaluate the significance of any threats and apply safeguards when necessary to eliminate them or reduce them to an acceptable level. Examples of such safeguards include:	112.2.A1 Examples of safeguards include: <ul style="list-style-type: none"> • <i>Supervisory procedures;</i> • <i>Discussing the issue:</i> <ul style="list-style-type: none"> ◦ <i>With higher levels of management within the firm; or</i> 	Additional text is drawn from the conceptual framework text under review by the Safeguards Task

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	<ul style="list-style-type: none"> Withdrawing from the engagement team; Supervisory procedures; Terminating the financial or business relationship giving rise to the threat; Discussing the issue with higher levels of management within the firm; or Discussing the issue with those charged with governance of the client. <p>If safeguards cannot eliminate or reduce the threat to an acceptable level, the professional accountant shall decline or terminate the relevant engagement.</p>	<ul style="list-style-type: none"> ○ <i>With those charged with governance of the client;</i> • <i>Withdrawing from the engagement team; or</i> • <i>Ending the financial or business relationship causing the threat.</i> 	Force.
		New Paragraphs with no equivalent in the 2014 Code	
		R300.2 A professional accountant shall comply with each of the fundamental principles and apply the conceptual framework contained in Section 120 in relation to threats to those fundamental principles.	Not a new requirement. Restates the requirement to apply the conceptual framework.
		R300.3 When communicating with those charged with governance under this Code, the professional accountant shall determine the appropriate individual(s) within the entity's governance structure with whom to communicate. If a professional accountant communicates with a subgroup of those charged with governance, the professional accountant	Not a new requirement. Derived from extant Code 100.25

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
	shall determine whether communication with all of those charged with governance is also necessary.	
	<p>300.3 A1 In determining with whom to communicate, the professional accountant might consider:</p> <ul style="list-style-type: none"> • The nature and importance of the circumstances; and • The matter to be communicated. 	Derived from 100.25.
	<p>300.3 A2 If a professional accountant communicates with a subgroup of those charged with governance, for example, an audit committee or an individual, communication with all of those charged with governance might also be necessary to ensure they are adequately informed.</p>	Derived from 100.25.
	<p>310.1 Section 310 contains requirements and application material in relation to applying the conceptual framework to conflicts of interest.</p>	New scope section.
	<p>310.6 A4 More information on client acceptance is contained in Section 320, <i>Professional Appointment</i>.</p>	New linking paragraph.
	<p>320.1 Section 320 contains requirements and application material on applying the conceptual framework to professional appointments, covering both new appointments and changes to existing ones.</p>	New scope section.
	<p>330.1 Section 330 contains requirements and application material on applying the conceptual framework to</p>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
		fees and other types of remuneration.	
		R330.3 A professional accountant shall apply the conceptual framework contained in Section 120 in relation to fees and remuneration.	
		330.3 A4 Contingent fees for non-assurance services provided to audit clients and other assurance clients are contained in C1 and C2 of this Code.	New - include reference to independence so that it is considered
		340.1 Section 340 contains requirements and application material on applying the conceptual framework to offers of gifts and hospitality.	New scope section.
		350.1 Section 350 contains requirements and application material on applying the conceptual framework to assuming custody of client money or other assets.	New scope section
		R350.3 A professional accountant shall apply the conceptual framework contained in Section 120 in relation to assuming custody of client money or other assets.	Not a new requirement. Restates the requirement to apply the conceptual framework.

Mapping Table – Draft Restructured Code Tranches I and II
 IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
SECTION 290 INDEPENDENCE—AUDIT AND REVIEW ENGAGEMENTS			
Structure of Section			
290.1	This section addresses the independence requirements for audit engagements and review engagements, which are assurance engagements in which a professional accountant in public practice expresses a conclusion on financial statements. Such engagements comprise audit and review engagements to report on a complete set of financial statements and a single financial statement. Independence requirements for assurance engagements that are not audit or review engagements are addressed in Section 291.	400.2 C1 contains requirements and application material for professional accountants in public practice on maintaining independence when performing audit engagements ³ . These engagements are assurance engagements in which a professional accountant ⁴ expresses a conclusion on financial statements. Such engagements involve reporting on a complete set of financial statements or on a single financial statement.	
		400.4 Independence requirements for assurance engagements that are not audit or review engagements are contained in C2.	
290.2	In certain circumstances involving audit engagements where the audit report includes a restriction on use and distribution and	400.5 An audit report might ⁵ include a restriction on use and distribution. If it does, the independence	

³ In C1, “audit team” includes “review engagement.”

⁴ In C1, “audit engagement” includes “review engagement.”

⁵ In C1, “audit report” includes “review engagement report.”

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	provided certain conditions are met, the independence requirements in this section may be modified as provided in paragraphs 290.500 to 290.514. The modifications are not permitted in the case of an audit of financial statements required by law or regulation.	requirements in C1 may be modified as provided in Section 499, if the conditions set out in those paragraphs are met. These modifications are not permitted for an audit of financial statements which is required by law or regulation.	
290.3	In this section, the term(s): (a) “Audit,” “audit team,” “audit engagement,” “audit client” and “audit report” includes review, review team, review engagement, review client and review report; and (b) “Firm” includes network firm, except where otherwise stated.		This Section is located in the Glossary
A Conceptual Framework Approach to Independence			
290.4	In the case of audit engagements, it is in the public interest and, therefore, required by this Code, that members of audit teams, firms and network firms shall be independent of audit clients.	<i>400.1 Independence is a measure of objectivity that professional accountants apply when performing audit engagements. It is in the public interest and, therefore, required by this Code that members of audit teams,⁶ firms and network firms be independent of audit clients.⁷</i>	
290.5	The objective of this section is to assist firms and members of audit teams in applying the	<i>400.3 C1 describes circumstances and relationships that cause or might cause threats to</i>	Objective expanded to explain the conceptual

⁶ In C1 “audit team” includes “review team”

⁷ In C1 “audit client” includes “review client” and related entities of the audit client – see Glossary for more details.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	conceptual framework approach described below to achieving and maintaining independence.	<i>independence. It describes the potential threats and safeguards that might be appropriate to eliminate the threats or reduce them to an acceptable level. It identifies situations where no safeguards could reduce the threats to an acceptable level but does not describe all situations that might cause a threat. The conceptual framework requires a professional accountant to evaluate the implications of similar, but different, circumstances and relationships and determine whether safeguards, including the safeguards in paragraphs 300.2 A8 to A14, can be applied to eliminate the threats to independence or reduce them to an acceptable level.</i>	framework approach for clarity.
290.6	<p>Independence comprises:</p> <p>(a) Independence of Mind</p> <p>The state of mind that permits the expression of a conclusion without being affected by influences that compromise professional judgment, thereby allowing an individual to act with integrity and exercise objectivity and professional skepticism.</p> <p>(b) Independence in Appearance</p> <p>The avoidance of facts and circumstances that are so significant that a reasonable and informed third party would be likely to conclude, weighing all the specific facts and circumstances, that a firm's, or a member of</p>		Included in the definitions section of the Glossary.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	the audit team's, integrity, objectivity or professional skepticism has been compromised.		
290.7	<p>The conceptual framework approach shall be applied by professional accountants to:</p> <p>(a) Identify threats to independence;</p> <p>(b) Evaluate the significance of the threats identified; and</p> <p>(c) Apply safeguards, when necessary, to eliminate the threats or reduce them to an acceptable level.</p> <p>When the professional accountant determines that appropriate safeguards are not available or cannot be applied to eliminate the threats or reduce them to an acceptable level, the professional accountant shall eliminate the circumstance or relationship creating the threats or decline or terminate the audit engagement.</p> <p>A professional accountant shall use professional judgment in applying this conceptual framework.</p>	<p><i>R400.6 A professional accountant shall apply the conceptual framework contained in Section 120 when assessing independence in relation to an audit engagement</i></p>	Extant Code text shortened by cross reference to the conceptual framework.
290.8	Many different circumstances, or combinations of circumstances, may be relevant in assessing threats to independence. It is impossible to define every situation that creates threats to independence and to specify the appropriate	<p><i>400.3 C1 describes circumstances and relationships that cause or might cause threats to independence. It describes the potential threats and safeguards that might be appropriate to eliminate the threats or reduce them to an acceptable level. It identifies situations</i></p>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	action. Therefore, this Code establishes a conceptual framework that requires firms and members of audit teams to identify, evaluate, and address threats to independence. The conceptual framework approach assists professional accountants in practice in complying with the ethical requirements in this Code. It accommodates many variations in circumstances that create threats to independence and can deter a professional accountant from concluding that a situation is permitted if it is not specifically prohibited.	<i>where no safeguards could reduce the threats to an acceptable level but does not describe all situations that might cause a threat. The conceptual framework requires a professional accountant to evaluate the implications of similar, but different, circumstances and relationships and determine whether safeguards, including the safeguards in paragraphs 300.2 A8 to A14, can be applied when necessary to eliminate the threats to independence or reduce them to an acceptable level</i>	
290.9	Paragraphs 290.100 and onwards describe how the conceptual framework approach to independence is to be applied. These paragraphs do not address all the circumstances and relationships that create or may create threats to independence.	<i>400.3 C1 describes circumstances and relationships that cause or might cause threats to independence. It describes the potential threats and safeguards that might be appropriate to eliminate the threats or reduce them to an acceptable level. It identifies situations where no safeguards could reduce the threats to an acceptable level but does not describe all situations that might cause a threat. The conceptual framework requires a professional accountant to evaluate the implications of similar, but different, circumstances and relationships and determine whether safeguards, including the safeguards in paragraphs 300.A8 to A14, can be applied when necessary to eliminate the threats to independence or reduce them to an acceptable level</i>	
290.10	In deciding whether to accept or continue an engagement, or whether a particular individual	R400.7 <i>In applying the conceptual framework, a</i>	The Structure Task Force is showing no

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
	<p>may be a member of the audit team, a firm shall identify and evaluate threats to independence. If the threats are not at an acceptable level, and the decision is whether to accept an engagement or include a particular individual on the audit team, the firm shall determine whether safeguards are available to eliminate the threats or reduce them to an acceptable level. If the decision is whether to continue an engagement, the firm shall determine whether any existing safeguards will continue to be effective to eliminate the threats or reduce them to an acceptable level or whether other safeguards will need to be applied or whether the engagement needs to be terminated. Whenever new information about a threat to independence comes to the attention of the firm during the engagement, the firm shall evaluate the significance of the threat in accordance with the conceptual framework approach.</p>	<p>draft restructured Code for extant sections 290.10 and 200.11 as these sections are currently under review by the Safeguards Task Force. Draft restructured Code will be included in the Structure Task Force material once the Safeguards Task Force has completed its review of the material.</p>
290.11	<p>Throughout this section, reference is made to the significance of threats to independence. In evaluating the significance of a threat, qualitative as well as quantitative factors shall be taken into account.</p>	
290.12	<p>This section does not, in most cases, prescribe the specific responsibility of individuals within the</p>	
	<p><i>professional accountant shall:</i></p> <p><i>(a) When evaluating the significance of threats to independence, take qualitative as well as quantitative factors into account;</i></p> <p><i>(b) If a determination has been made that the threats are not at an acceptable level, and the decision to be made is whether to accept an engagement or include a particular individual on the audit team, determine whether safeguards are available to eliminate the threats or reduce them to an acceptable level;</i></p> <p><i>(c) If the decision is whether to continue an audit engagement, determine whether:</i></p> <p><i>(i) Any existing safeguards will continue to be effective to eliminate the threats or reduce them to an acceptable level;</i></p> <p><i>(ii) Other safeguards will need to be applied; or</i></p> <p><i>(iii) The engagement needs to be ended; and</i></p> <p><i>(d) Whenever new information about a threat to independence comes to the attention of the professional accountant during an audit engagement, evaluate the significance of that threat in accordance with the conceptual framework approach</i></p>	
	<p>R400.12 A firm shall establish, implement and maintain policies and procedures, appropriately documented</p>	<p>Paragraph 290.12 is subject to review in</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
	<p data-bbox="319 287 905 764">firm for actions related to independence because responsibility may differ depending on the size, structure and organization of a firm. The firm is required by International Standards on Quality Control (ISQCs) to establish policies and procedures designed to provide it with reasonable assurance that independence is maintained when required by relevant ethical requirements. In addition, International Standards on Auditing (ISAs) require the engagement partner to form a conclusion on compliance with the independence requirements that apply to the engagement.</p> <p data-bbox="926 287 1663 321"><i>and communicated within the firm, to:</i></p> <p data-bbox="926 342 1663 483"><i>(a) Identify those individuals with appropriate authority who, in particular circumstances, are responsible for taking appropriate action on behalf of the firm in accordance with the requirements of this Code;</i></p> <p data-bbox="926 505 1663 613"><i>(b) Maintain compliance with this Code by relevant individuals within the firm and, as applicable, their immediate family; and</i></p> <p data-bbox="926 634 1663 776"><i>(c) Require communication of threats to and breaches of independence to relevant individuals who are responsible for taking appropriate action on behalf of the firm in accordance with the requirements of this Code.</i></p> <p data-bbox="926 813 1663 922"><i>400.12 A1 Individuals who are responsible for taking appropriate action on behalf of the firm in accordance with the requirements of this Code might include:</i></p> <p data-bbox="926 943 1325 977"><i>(a) The engagement partner;</i></p> <p data-bbox="926 998 1663 1065"><i>(b) Senior individuals responsible for ethics or independence matters for the firm;</i></p> <p data-bbox="926 1086 1663 1153"><i>(c) Any other individual within the firm identified as a responsible individual in relation to a particular matter.</i></p> <p data-bbox="926 1206 1663 1346"><i>400.12 A2 Policies that enable identification of responsible individuals may differ depending on the size, structure and organization of a firm. In addition, International Standards on Auditing (ISAs) require the engagement partner</i></p>	<p data-bbox="1680 287 1969 321">liaison with the IAASB.</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
		<p><i>to form a conclusion on compliance with the independence requirements that apply to the engagement.</i></p> <p><i>400.12 A3 The identification of individuals who are responsible for taking appropriate action on behalf of the firm does not relieve a professional accountant of individual responsibility to comply with the Code.</i></p>	
Networks and Network Firms			
290.13	If a firm is deemed to be a network firm, the firm shall be independent of the audit clients of the other firms within the network (unless otherwise stated in this Code).	R401.2 A network firm shall be independent of the audit clients of the other firms within the network unless otherwise stated in this Code.	
	The independence requirements in this section that apply to a network firm apply to any entity, such as a consulting practice or professional law practice, that meets the definition of a network firm irrespective of whether the entity itself meets the definition of a firm.	401.3 A1 The independence requirements in C1 that apply to a network firm apply to any entity that meets the definition of a network firm. The entity need not also meet the definition of a firm. For example, a consulting practice or professional law practice might be a network firm but not a firm.	
290.14	To enhance their ability to provide professional services, firms frequently form larger structures with other firms and entities. Whether these larger structures create a network depends on the particular facts and circumstances and does not depend on whether the firms and entities are legally separate and distinct. For example, a larger structure may be aimed only at facilitating	401.1 To enhance their ability to provide professional services, firms frequently form larger structures with other firms and entities. Whether these larger structures cause a network depends on the particular facts and circumstances and does not depend on whether the firms and entities are legally separate and distinct. For example, a larger structure might be aimed only at facilitating the referral of work, which in itself does not meet the criteria necessary to constitute a	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	the referral of work, which in itself does not meet the criteria necessary to constitute a network. Alternatively, a larger structure might be such that it is aimed at co-operation and the firms share a common brand name, a common system of quality control, or significant professional resources and consequently is deemed to be a network.	network. Alternatively, a larger structure might be such that it is aimed at co-operation and the firms share a common brand name, a common system of quality control, or significant professional resources and consequently is deemed to be a network.	
290.15	The judgment as to whether the larger structure is a network shall be made in light of whether a reasonable and informed third party would be likely to conclude, weighing all the specific facts and circumstances, that the entities are associated in such a way that a network exists. This judgment shall be applied consistently throughout the network.	<p>R401.3 When associated with a larger structure of other firms and entities, a firm shall:</p> <p>(a) Use professional judgment to determine whether a network is created by such a larger structure;</p> <p>(b) Consider whether a reasonable and informed third party would be likely to conclude, that the other firms and entities in the larger structure are associated in such a way that a network exists; and</p> <p>(c) Apply such judgment consistently throughout such a larger structure.</p>	
290.16	Where the larger structure is aimed at co-operation and it is clearly aimed at profit or cost sharing among the entities within the structure, it is deemed to be a network. However, the sharing of immaterial costs does not in itself create a network. In addition, if the sharing of costs is limited only to those costs related to the development of audit methodologies, manuals,	401.3 A2 Where the larger structure is aimed at co-operation and it is clearly aimed at profit or cost sharing among the entities within the structure it is a network. However, the sharing of immaterial costs does not in itself create a network. In addition, if the sharing of costs is limited only to those costs related to the development of audit methodologies, manuals or training courses, this would not in itself create a network. Further, an association between a firm	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	or training courses, this would not in itself create a network. Further, an association between a firm and an otherwise unrelated entity to jointly provide a service or develop a product does not in itself create a network.	and an otherwise unrelated entity to jointly provide a service or develop a product does not in itself create a network.	
290.17	Where the larger structure is aimed at cooperation and the entities within the structure share common ownership, control or management, it is deemed to be a network. This could be achieved by contract or other means.	401.3 A3 Where the larger structure is aimed at co-operation and the entities within the structure share common ownership, control or management it is a network. This could be achieved by contract or other means.	
290.18	Where the larger structure is aimed at co-operation and the entities within the structure share common quality control policies and procedures, it is deemed to be a network. For this purpose, common quality control policies and procedures are those designed, implemented and monitored across the larger structure.	401.3 A4 Where the larger structure is aimed at co-operation and the entities within the structure share common quality control policies and procedures it is a network. For this purpose, common quality control policies and procedures are those designed, implemented and monitored across the larger structure.	
290.19	Where the larger structure is aimed at co-operation and the entities within the structure share a common business strategy, it is deemed to be a network. Sharing a common business strategy involves an agreement by the entities to achieve common strategic objectives. An entity is not deemed to be a network firm merely because it co-operates with another entity solely	401.3 A5 Where the larger structure is aimed at co-operation and the entities within the structure share a common business strategy it is a network. Sharing a common business strategy involves an agreement by the entities to achieve common strategic objectives. An entity is not a network firm merely because it co-operates with another entity solely to respond jointly to a request for a proposal for the provision of a professional service.	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	to respond jointly to a request for a proposal for the provision of a professional service.		
290.20	Where the larger structure is aimed at co-operation and the entities within the structure share the use of a common brand name, it is deemed to be a network. A common brand name includes common initials or a common name. A firm is deemed to be using a common brand name if it includes, for example, the common brand name as part of, or along with, its firm name, when a partner of the firm signs an audit report.	401.3 A6 Where the larger structure is aimed at co-operation and the entities within the structure share the use of a common brand name it is a network. A common brand name includes common initials or a common name. A firm is using a common brand name if it includes, for example, the common brand name as part of, or along with, its firm name when a partner of the firm signs an audit report.	
290.21	Even though a firm does not belong to a network and does not use a common brand name as part of its firm name, it may give the appearance that it belongs to a network if it makes reference in its stationery or promotional materials to being a member of an association of firms. Accordingly, if care is not taken in how a firm describes such memberships, a perception may be created that the firm belongs to a network.	401.3 A7 Even if a firm does not belong to a network and does not use a common brand name as part of its firm name, it might appear to belong to a network if its stationery or promotional materials refer to being a member of an association of firms. Accordingly, if care is not taken in how a firm describes such membership a perception might be created that the firm belongs to a network.	
290.22	If a firm sells a component of its practice, the sales agreement sometimes provides that, for a limited period of time, the component may continue to use the name of the firm, or an element of the name, even though it is no longer	R401.4 If a firm or a network sells a component of its practice, the sales agreement sometimes provides that, for a limited period of time, the sold component might continue to use all or part of the name of the firm or the network, even though it is no longer connected to the firm or the network. In	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	connected to the firm. In such circumstances, while the two entities may be practicing under a common name, the facts are such that they do not belong to a larger structure aimed at co-operation and are, therefore, not network firms. Those entities shall determine how to disclose that they are not network firms when presenting themselves to outside parties.	such circumstances, while the two entities might be practicing under a common name, the facts are such that they do not belong to a larger structure aimed at cooperation and are therefore not network firms. Those entities shall determine how to disclose that they are not network firms when presenting themselves to outside parties.	
290.23	<p>Where the larger structure is aimed at co-operation and the entities within the structure share a significant part of professional resources, it is deemed to be a network. Professional resources include:</p> <ul style="list-style-type: none"> • Common systems that enable firms to exchange information such as client data, billing and time records; • Partners and staff; • Technical departments that consult on technical or industry specific issues, transactions or events for assurance engagements; • Audit methodology or audit manuals; and • Training courses and facilities. 	<p>401.3 A8 Where the larger structure is aimed at co-operation and the entities within the structure share a significant part of professional resources it is a network. Professional resources include:</p> <ul style="list-style-type: none"> • Common systems that enable firms to exchange information such as client data, billing and time records. • Partners and other personnel. • Technical departments that consult on technical or industry specific issues, transactions or events for assurance engagements. • Audit methodology or audit manuals. • Training courses and facilities. 	
290.24	The determination of whether the professional resources shared are significant, and therefore the firms are network firms, shall be made based	401.3 A9 Whether the shared professional resources are significant depends on the circumstances. For example:	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	<p>on the relevant facts and circumstances. Where the shared resources are limited to common audit methodology or audit manuals, with no exchange of personnel or client or market information, it is unlikely that the shared resources would be significant. The same applies to a common training endeavor. Where, however, the shared resources involve the exchange of people or information, such as where staff are drawn from a shared pool, or a common technical department is created within the larger structure to provide participating firms with technical advice that the firms are required to follow, a reasonable and informed third party is more likely to conclude that the shared resources are significant.</p>	<ul style="list-style-type: none"> Where the shared resources are limited to common audit methodology or audit manuals, with no exchange of personnel or client or market information, it is unlikely that the shared resources would be significant. The same applies to a common training endeavor. Where the shared resources involve the exchange of personnel or information, such as where personnel are drawn from a shared pool, or a common technical department is created within the larger structure to provide participating firms with technical advice that the firms are required to follow, a reasonable and informed third party is more likely to conclude that the shared resources are significant. 	
Public Interest Entities			
290.25	<p>Section 290 contains additional provisions that reflect the extent of public interest in certain entities. For the purpose of this section, public interest entities are:</p> <p>(a) All listed entities; and</p> <p>(b) Any entity:</p> <p>(i) Defined by regulation or legislation as a public interest entity; or</p> <p>(ii) For which the audit is required by</p>		PIE definition is in the Glossary.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	regulation or legislation to be conducted in compliance with the same independence requirements that apply to the audit of listed entities. Such regulation may be promulgated by any relevant regulator, including an audit regulator.		
290.26	<p>Firms and member bodies are encouraged to determine whether to treat additional entities, or certain categories of entities, as public interest entities because they have a large number and wide range of stakeholders. Factors to be considered include:</p> <ul style="list-style-type: none"> • The nature of the business, such as the holding of assets in a fiduciary capacity for a large number of stakeholders. Examples may include financial institutions, such as banks and insurance companies, and pension funds; • Size; and • Number of employees. 		This Section is located in the Glossary, with public interest entity definition.
Related Entities			
290.27	In the case of an audit client that is a listed entity, references to an audit client in this section include related entities of the client (unless otherwise stated). For all other audit clients,	R400.8 As defined, an audit client that is a listed entity includes all of its related entities. An audit client that is not a listed entity is defined to include those related entities over which the client has direct or indirect control. When the	Text from this paragraph is also located in the Glossary, definition of “audit

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	references to an audit client in this section include related entities over which the client has direct or indirect control. When the audit team knows or has reason to believe that a relationship or circumstance involving another related entity of the client is relevant to the evaluation of the firm's independence from the client, the audit team shall include that related entity when identifying and evaluating threats to independence and applying appropriate safeguards.	audit team knows or has reason to believe that a relationship or circumstance involving any other related entity of the client is relevant to the evaluation of the firm's independence from the client, the audit team shall include that related entity when identifying and evaluating threats to independence and applying appropriate safeguards.	client”.
Those Charged with Governance			
290.28	<p>Even when not required by the Code, applicable auditing standards, law or regulation, regular communication is encouraged between the firm and those charged with governance of the audit client regarding relationships and other matters that might, in the firm's opinion, reasonably bear on independence. Such communication enables those charged with governance to:</p> <ul style="list-style-type: none"> (a) Consider the firm's judgments in identifying and evaluating threats to independence; (b) Consider the appropriateness of safeguards applied to eliminate them or reduce them to an acceptable level; and (c) Take appropriate action. 	<p>400.13 A1 Even when not required by the Code, applicable professional standards, law or regulation, regular communication is encouraged between the firm and those charged with governance of the client regarding relationships and other matters that might, in the firm's opinion, reasonably bear threats to compliance with the fundamental principles. Such communication enables those charged with governance to:</p> <ul style="list-style-type: none"> (a) Consider the firm's judgments in identifying and evaluating threats to the fundamental principles; (b) Consider the appropriateness of safeguards applied to eliminate them or reduce them to an acceptable level; and (c) Take appropriate action. 	

VERSION 4 Tranches I and II August 25, 2015

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	Such an approach can be particularly helpful with respect to intimidation and familiarity threats.	Such an approach can be particularly helpful with respect to intimidation and familiarity threats.	
290.28	In complying with requirements in this section to communicate with those charged with governance, the firm shall determine, having regard to the nature and importance of the particular circumstances and matter to be communicated, the appropriate person(s) within the entity's governance structure with whom to communicate. If the firm communicates with a subgroup of those charged with governance, for example, an audit committee or an individual, the firm shall determine whether communication with all of those charged with governance is also necessary so that they are adequately informed.	R400.13 A professional accountant shall comply with paragraph R300.3 when communicating with those charged with governance.	This text is contained in the introductory paragraphs in Part C in paragraphs R300.3 A1 and R300.4 A2.
Documentation			
290.29	Documentation provides evidence of the professional accountant's judgments in forming conclusions regarding compliance with independence requirements. The absence of documentation is not a determinant of whether a firm considered a particular matter nor whether it is independent. The professional accountant shall document	R402.1 A professional accountant shall document conclusions regarding compliance with independence requirements, and the substance of any relevant discussions that support those conclusions. Accordingly: (a) When safeguards are required to reduce a threat to an acceptable level, the professional accountant shall document the nature of the threat and the safeguards in place or applied that reduce the threat to an acceptable	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	<p>conclusions regarding compliance with independence requirements, and the substance of any relevant discussions that support those conclusions. Accordingly:</p> <p>(a) When safeguards are required to reduce a threat to an acceptable level, the professional accountant shall document the nature of the threat and the safeguards in place or applied that reduce the threat to an acceptable level; and</p> <p>(b) When a threat required significant analysis to determine whether safeguards were necessary and the professional accountant concluded that they were not because the threat was already at an acceptable level, the professional accountant shall document the nature of the threat and the rationale for the conclusion.</p>	<p>level; and</p> <p>(b) When a threat required significant analysis to determine whether safeguards were necessary and the professional accountant concluded that they were not because the threat was already at an acceptable level, the professional accountant shall document the nature of the threat and the rationale for the conclusion.</p>	
		<p>402.1 A1 Paragraph R402.1 contains specified documentation requirements. However, a lack of documentation does not determine whether a professional accountant considered a particular matter or is independent.</p>	
Engagement Period			
290.30	<p>Independence from the audit client is required both during the engagement period and the period covered by the financial statements. The engagement period starts when the audit team begins to perform audit services. <u>The engagement period ends when the audit report is issued. When the engagement is of a recurring nature, it ends at the later of the notification by</u></p>	<p>R400.9 A professional accountant performing an audit engagement shall be independent of the audit client during both:</p> <p>(a) The engagement period; and</p> <p>(b) The period covered by the financial statements.</p>	<p>The underlined text has been treated as a definition and is located in the definitions section of the Glossary</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	<u>either party that the professional relationship has terminated or the issuance of the final audit report.</u>		
290.31	<p>When an entity becomes an audit client during or after the period covered by the financial statements on which the firm will express an opinion, the firm shall determine whether any threats to independence are created by:</p> <p>(a) Financial or business relationships with the audit client during or after the period covered by the financial statements but before accepting the audit engagement; or</p> <p>(b) Previous services provided to the audit client.</p>	<p>R400.10 If an entity becomes an audit client during or after the period covered by the financial statements on which the firm will express an opinion, the firm shall determine whether any threats to independence are caused by:</p> <p>(a) Financial or business relationships with the audit client during or after the period covered by the financial statements but before accepting the audit engagement; or</p> <p>(b) Previous services provided to the audit client by the firm or network firm.</p>	
290.32	<p>If a non-assurance service was provided to the audit client during or after the period covered by the financial statements but before the audit team begins to perform audit services and the service would not be permitted during the period of the audit engagement, the firm shall evaluate any threat to independence created by the service. If a threat is not at an acceptable level, the audit engagement shall only be accepted if safeguards are applied to eliminate any threats or reduce them to an acceptable level. Examples of such safeguards include:</p>	<p>R400.11 If a non-assurance service was provided to the audit client during, or after the period covered by the financial statements, but before the audit team begins to perform audit services, and the service would not be permitted during the engagement period, the firm shall evaluate any threat to independence caused by the service. If a threat is not at an acceptable level, the firm shall only accept the audit engagement if safeguards are applied to eliminate any threats or reduce them to an acceptable level.</p> <p>400.11 A1 <i>Examples of safeguards include:</i></p> <ul style="list-style-type: none"> • <i>Not including individuals who provided the non-assurance</i> 	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	<ul style="list-style-type: none"> Not including personnel who provided the non-assurance service as members of the audit team; Having a professional accountant review the audit and non-assurance work as appropriate; or Engaging another firm to evaluate the results of the non-assurance service or having another firm re-perform the non-assurance service to the extent necessary to enable it to take responsibility for the service. 	<p><i>service as members of the audit team;</i></p> <ul style="list-style-type: none"> <i>Having a professional accountant review the audit and non-assurance work as appropriate;</i> <i>Engaging another firm to evaluate the results of the non-assurance service; or</i> <i>Having another firm re-perform the non-assurance service to the extent necessary to enable the other firm to take responsibility for the service.</i> 	
Mergers and Acquisitions			
290.33	When, as a result of a merger or acquisition, an entity becomes a related entity of an audit client, the firm shall identify and evaluate previous and current interests and relationships with the related entity that, taking into account available safeguards, could affect its independence and therefore its ability to continue the audit engagement after the effective date of the merger or acquisition.	403.1 An entity might become a related entity of an audit client because of a merger or acquisition. A threat to independence, and therefore, the ability of a firm to continue an audit engagement might be caused by previous or current interests or relationships between a firm and such a related entity.	
290.34	The firm shall take steps necessary to terminate, by the effective date of the merger or acquisition, any current interests or relationships that are not permitted under this Code. However, if such a current interest or relationship cannot reasonably	R403.2 In the circumstance described in paragraph 403.1 the firm shall identify and evaluate previous and current interests and relationships with the related entity that, taking into account available safeguards, could affect its independence and therefore its ability to continue the audit	Text derived from 290.33.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
	<p>be terminated by the effective date of the merger or acquisition, for example, because the related entity is unable by the effective date to effect an orderly transition to another service provider of a non-assurance service provided by the firm, the firm shall evaluate the threat that is created by such interest or relationship. The more significant the threat, the more likely the firm's objectivity will be compromised and it will be unable to continue as auditor. The significance of the threat will depend upon factors such as:</p> <ul style="list-style-type: none"> • The nature and significance of the interest or relationship; • The nature and significance of the related entity relationship (for example, whether the related entity is a subsidiary or parent); and • The length of time until the interest or relationship can reasonably be terminated. <p>The firm shall discuss with those charged with governance the reasons why the interest or relationship cannot reasonably be terminated by the effective date of the merger or acquisition and the evaluation of the significance of the threat.</p>	
	<p>engagement after the effective date of the merger or acquisition.</p>	
	<p>R403.3 In the circumstances described in paragraph R403.1, the firm shall take steps to end any interests or relationships that are not permitted by this Code by the effective date of the merger or acquisition.</p>	
	<p>403.3 A1 It might not be reasonably possible to end an interest or relationship by the effective date of the merger or acquisition. This might be because the firm provides a non-assurance service to the related entity, which the entity is not able to transition in an orderly manner to another provider by that date.</p>	
	<p>R403.4 As an exception to R403.3, if the interest or relationship cannot reasonably be ended by the effective date, the firm shall:</p> <p>(a) Evaluate the threat that is caused by the interest or relationship; and</p> <p>(b) Discuss with those charged with governance the reasons why the interest or relationship cannot reasonably be ended by the effective date and the evaluation of the significance of the threat..</p>	
	<p>403.4 A1 The more significant the threat, the more likely the firm's objectivity will be compromised and it will be unable to continue as auditor. The significance of the threat to objectivity might depend upon factors such as:</p>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
		<ul style="list-style-type: none"> The nature and significance of the interest or relationship; The nature and significance of the related entity relationship (for example, whether the related entity is a subsidiary or parent); and The length of time until the interest or relationship can reasonably be ended. 	
290.35	<p>If those charged with governance request the firm to continue as auditor, the firm shall do so only if:</p> <p>(a) The interest or relationship will be terminated as soon as reasonably possible and in all cases within six months of the effective date of the merger or acquisition;</p> <p>(b) Any individual who has such an interest or relationship, including one that has arisen through performing a non-assurance service that would not be permitted under this section, will not be a member of the engagement team for the audit or the individual responsible for the engagement quality control review; and</p> <p>(c) Appropriate transitional measures will be applied, as necessary, and discussed with those charged with governance. Examples of transitional measures include:</p>	<p>R403.5 If those charged with governance request the firm to continue as the auditor, the firm shall do so only if:</p> <p>(a) The interest or relationship will be ended as soon as reasonably possible but no later than six months after the effective date of the merger or acquisition;</p> <p>(b) Any individual who has such an interest or relationship, including one that has arisen through performing a non-assurance service that would not be permitted by C1, will not be a member of the engagement team for the audit or the individual responsible for the engagement quality control review; and</p> <p>(c) Transitional measures will be applied, as necessary, and discussed with those charged with governance.</p> <hr/> <p>403.5 A1 Examples of transitional measures include:</p> <ul style="list-style-type: none"> Having a professional accountant review the audit or non-assurance work as appropriate; Having a professional accountant, who is not a 	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	<ul style="list-style-type: none"> Having a professional accountant review the audit or non-assurance work as appropriate; Having a professional accountant, who is not a member of the firm expressing the opinion on the financial statements, perform a review that is equivalent to an engagement quality control review; or Engaging another firm to evaluate the results of the non-assurance service or having another firm re-perform the non-assurance service to the extent necessary to enable it to take responsibility for the service. 	<p>member of the firm expressing the opinion on the financial statements, perform a review that is equivalent to an engagement quality control review; or</p> <ul style="list-style-type: none"> Engaging another firm to evaluate the results of the non-assurance service or having another firm re-perform the non-assurance service to the extent necessary to enable the other firm to take responsibility for the service. 	
290.36	<p>The firm may have completed a significant amount of work on the audit prior to the effective date of the merger or acquisition and may be able to complete the remaining audit procedures within a short period of time. In such circumstances, if those charged with governance request the firm to complete the audit while continuing with an interest or relationship identified in paragraph 290.33, the firm shall do so only if it:</p> <p>(a) Has evaluated the significance of the threat created by such interest or relationship and</p>	<p>R403.6 The firm might have completed a significant amount of work on the audit prior to the effective date of the merger or acquisition and might be able to complete the remaining audit procedures within a short period of time. In such circumstances if those charged with governance request the firm to complete the audit while continuing with an interest or relationship identified in paragraph R403.1, the firm shall only do so if it:</p> <p>(a) Has evaluated the significance of the threat caused by such interest or relationship and discussed the evaluation with those charged with governance;</p> <p>(b) Complies with the requirements of paragraph R403.5</p>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	<p>discussed the evaluation with those charged with governance;</p> <p>(b) Complies with the requirements of paragraph 290.35(b)–(c); and</p> <p>(c) Ceases to be the auditor no later than the issuance of the audit report.</p>	<p>(a) to (c); and</p> <p>(c) Ceases to be the auditor no later than the date that the audit report is issued.</p>	
290.37	When addressing previous and current interests and relationships covered by paragraphs 290.33 to 290.36, the firm shall determine whether, even if all the requirements could be met, the interests and relationships create threats that would remain so significant that objectivity would be compromised and, if so, the firm shall cease to be the auditor.	R403.7 When addressing previous and current interests and relationships described in paragraph R403.1 the firm shall determine whether, even if all the requirements of paragraphs R403.3 to R403.5 could be met, the interests and relationships cause threats that would remain so significant that objectivity would be compromised and, if so, the firm shall cease to be the auditor.	
290.38	The professional accountant shall document any interests or relationships covered by paragraphs 290.34 and 36 that will not be terminated by the effective date of the merger or acquisition and the reasons why they will not be terminated, the transitional measures applied, the results of the discussion with those charged with governance, and the rationale as to why the previous and current interests and relationships do not create threats that would remain so significant that objectivity would be compromised.	<p>R403.8 The professional accountant shall document:</p> <p>(a) Any interests or relationships described in paragraph R403.1 that will not be ended by the effective date of the merger or acquisition and the reasons why they will not be ended;</p> <p>(b) The transitional measures applied;</p> <p>(c) The results of the discussion with those charged with governance, and</p> <p>(d) The reasons why the previous and current interests and relationships do not cause threats that would remain so</p>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
		significant that objectivity would be compromised.	
<i>Breach of a Provision of this Section</i>			
290.39	A breach of a provision of this section may occur despite the firm having policies and procedures designed to provide it with reasonable assurance that independence is maintained. A consequence of a breach may be that termination of the audit engagement is necessary.	404.1 A breach of a provision of this section might occur despite the firm having policies and procedures designed to provide it with reasonable assurance that independence is maintained. It might be that the audit engagement needs to be ended because of the breach.	
290.40	When the firm concludes that a breach has occurred, the firm shall terminate, suspend or eliminate the interest or relationship that caused the breach and address the consequences of the breach.	R404.2 Notwithstanding any other provisions of C1, if a firm concludes that a breach of any of those provisions has occurred, the firm shall: (a) End, suspend or eliminate the interest or relationship that caused the breach and address the consequences of the breach; ...	
290.41	When a breach is identified, the firm shall consider whether there are any legal or regulatory requirements that apply with respect to the breach and, if so, shall comply with those requirements. The firm shall consider reporting the breach to a member body, relevant regulator or oversight authority if such reporting is common practice or is expected in the particular jurisdiction.	R401.1 Notwithstanding any other provisions of Part C1, if a firm concludes that a breach of any of those provisions has occurred, the firm shall: ... (b) Consider whether any legal or regulatory requirements apply to the breach and, if so; (i) Comply with those requirements; and (ii) Consider reporting the breach to a professional body, regulator or oversight authority if such reporting is common practice or expected in the relevant	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
		jurisdiction; ...	
290.42	<p>When a breach is identified, the firm shall, in accordance with its policies and procedures, promptly communicate the breach to the engagement partner, those with responsibility for the policies and procedures relating to independence, other relevant personnel in the firm, and, where appropriate, the network, and those subject to the independence requirements who need to take appropriate action. The firm shall evaluate the significance of that breach and its impact on the firm's objectivity and ability to issue an audit report. The significance of the breach will depend on factors such as:</p> <ul style="list-style-type: none"> • The nature and duration of the breach; • The number and nature of any previous breaches with respect to the current audit engagement; • Whether a member of the audit team had knowledge of the interest or relationship that caused the breach; • Whether the individual who caused the breach is a member of the audit team or another individual for whom there are independence requirements; • If the breach relates to a member of the audit 	<p>R401.1 Notwithstanding any other provisions of C1, if a firm concludes that a breach of any of those provisions has occurred, the firm shall:</p> <p>(c) Promptly communicate the breach in accordance with its policies and procedures to:</p> <ul style="list-style-type: none"> (i) The engagement partner; (ii) Those with responsibility for the policies and procedures relating to independence; (iii) Other relevant personnel in the firm, and, where appropriate, the network; and (iv) Those subject to the independence requirements who need to take appropriate action. <p>(d) Evaluate the significance of the breach and its impact on the firm's objectivity and ability to issue an audit report;</p> <p>401.1 A2 When a breach of C1 is identified, the significance and impact of the breach on the firm's objectivity and ability to issue an audit report will depend on factors such as:</p> <ul style="list-style-type: none"> • The nature and duration of the breach; • The number and nature of any previous breaches with respect to the current audit engagement; • Whether a member of the audit team had knowledge of 	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	<p>team, the role of that individual;</p> <ul style="list-style-type: none"> • If the breach was caused by the provision of a professional service, the impact of that service, if any, on the accounting records or the amounts recorded in the financial statements on which the firm will express an opinion; and • The extent of the self-interest, advocacy, intimidation or other threats created by the breach. 	<p>the interest or relationship that caused the breach;</p> <ul style="list-style-type: none"> • Whether the individual who caused the breach is a member of the audit team or another individual for whom there are independence requirements; • If the breach relates to a member of the audit team, the role of that individual; • If the breach was caused by the provision of a professional service, the impact of that service, if any, on the accounting records or the amounts recorded in the financial statements on which the firm will express an opinion; and • The extent of the self-interest, advocacy, intimidation or other threats caused by the breach. 	
290.43	<p>Depending upon the significance of the breach, it may be necessary to terminate the audit engagement or it may be possible to take action that satisfactorily addresses the consequences of the breach. The firm shall determine whether such action can be taken and is appropriate in the circumstances. In making this determination, the firm shall exercise professional judgment and take into account whether a reasonable and informed third party, weighing the significance of the breach, the action to be taken and all the specific facts and circumstances available to the professional accountant at that time, would be</p>	<p>R401.1 Notwithstanding any other provisions of C1, if a firm concludes that a breach of any of those provisions has occurred, the firm shall: ...</p> <p>(e) Depending on the significance of the breach, determine whether:</p> <p>(i) To terminate the audit engagement; or</p> <p>(ii) Whether it might be possible to take action that satisfactorily addresses the consequences of the breach and whether such action can be taken and is appropriate in the circumstances.</p> <p>In making this determination, the firm shall exercise professional judgment and take into account whether a</p>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	likely to conclude that the firm's objectivity would be compromised and therefore the firm is unable to issue an audit report.	reasonable and informed third party would be likely to conclude that the firm's objectivity would be compromised and therefore the firm is unable to issue an audit report.	
290.44	<p>Examples of actions that the firm may consider include:</p> <ul style="list-style-type: none"> • Removing the relevant individual from the audit team; • Conducting an additional review of the affected audit work or re-performing that work to the extent necessary, in either case using different personnel; • Recommending that the audit client engage another firm to review or re-perform the affected audit work to the extent necessary; and • Where the breach relates to a non-assurance service that affects the accounting records or an amount that is recorded in the financial statements, engaging another firm to evaluate the results of the non-assurance service or having another firm re-perform the non-assurance service to the extent necessary to enable it to take responsibility for the service. 	<p>404.2 A2 Depending upon the significance of the breach, examples of actions that the firm might consider to satisfactorily address the breach include:</p> <ul style="list-style-type: none"> • Removing the relevant individual from the audit team; • Using different individuals to conduct an additional review of the affected audit work or to re-perform that work to the extent necessary; • Recommending that the audit client engage another firm to review or re-perform the affected audit work to the extent necessary; and • If the breach relates to a non-assurance service that affects the accounting records or an amount recorded in the financial statements: <ul style="list-style-type: none"> ○ Engaging another firm to evaluate the results of the non-assurance service; or ○ Having another firm re-perform the non-assurance service to the extent necessary to enable the other firm to take responsibility for the service. 	
290.45	If the firm determines that action cannot be taken to satisfactorily address the consequences of the	R404.3 If the firm determines that it cannot take action to satisfactorily address the consequences of the	

VERSION 4 Tranches I and II August 25, 2015

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	breach, the firm shall inform those charged with governance as soon as possible and take the steps necessary to terminate the audit engagement in compliance with any applicable legal or regulatory requirements relevant to terminating the audit engagement. Where termination is not permitted by law or regulation, the firm shall comply with any reporting or disclosure requirements.	breach, the firm shall inform those charged with governance as soon as possible and take the steps necessary to terminate the audit engagement in compliance with any applicable legal or regulatory requirements. Where termination is not permitted by law or regulation, the firm shall comply with any reporting or disclosure requirements.	
290.46	<p>If the firm determines that action can be taken to satisfactorily address the consequences of the breach, the firm shall discuss the breach and the action it has taken or proposes to take with those charged with governance. The firm shall discuss the breach and the action as soon as possible, unless those charged with governance have specified an alternative timing for reporting less significant breaches. The matters to be discussed shall include:</p> <ul style="list-style-type: none"> • The significance of the breach, including its nature and duration; • How the breach occurred and how it was identified; • The action taken or proposed to be taken and the firm's rationale for why the action will satisfactorily address the consequences of the breach and enable it to issue an audit 	<p>R404.4 <i>If the firm determines that it can take action to satisfactorily address the consequences of the breach, the firm shall discuss with those charged with governance, as soon as possible or in accordance with an alternative timing specified by those charged with governance for reporting less significant breaches:</i></p> <p>(a) <i>The significance of the breach, including its nature and duration;</i></p> <p>(b) <i>How the breach occurred and how it was identified;</i></p> <p>(c) <i>The action proposed or taken and why the action will satisfactorily address the consequences of the breach and enable the firm to issue an audit report;</i></p> <p>(d) <i>The conclusion that, in the firm's professional judgment, objectivity has not been compromised and the rationale for that conclusion; and</i></p> <p>(e) <i>Any steps proposed or taken by the firm to reduce or avoid the risk of further breaches occurring.</i></p>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	<p>report;</p> <ul style="list-style-type: none"> The conclusion that, in the firm's professional judgment, objectivity has not been compromised and the rationale for that conclusion; and Any steps that the firm has taken or proposes to take to reduce or avoid the risk of further breaches occurring. 		
290.47	<p>The firm shall communicate in writing with those charged with governance all matters discussed in accordance with paragraph 290.46 and obtain the concurrence of those charged with governance that action can be, or has been, taken to satisfactorily address the consequences of the breach. The communication shall include a description of the firm's policies and procedures relevant to the breach designed to provide it with reasonable assurance that independence is maintained and any steps that the firm has taken, or proposes to take, to reduce or avoid the risk of further breaches occurring. If those charged with governance do not concur that the action satisfactorily addresses the consequences of the breach, the firm shall take the steps necessary to terminate the audit engagement, where permitted by law or regulation, in compliance with any applicable legal or</p>	<p>R404.5 <i>The firm shall communicate in writing to those charged with governance:</i></p> <p>(a) <i>All matters discussed in accordance with paragraphs 404.2 to 404.4 and obtain the concurrence of those charged with governance that action can be, or has been, taken to satisfactorily address the consequences of the breach.</i></p> <p>(b) <i>The communication shall include a description of the firm's policies and procedures relevant to the breach designed to provide it with reasonable assurance that independence is maintained and any steps that the firm has taken, or proposes to take, to reduce or avoid the risk of further breaches occurring.</i></p> <p><i>If those charged with governance do not concur that the action satisfactorily addresses the consequences of the breach, the firm shall take the steps necessary to terminate the audit engagement in accordance with the provisions set</i></p>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	regulatory requirements relevant to terminating the audit engagement. Where termination is not permitted by law or regulation, the firm shall comply with any reporting or disclosure requirements.	<i>out in paragraph R404.3.</i>	
290.48	If the breach occurred prior to the issuance of the previous audit report, the firm shall comply with this section in evaluating the significance of the breach and its impact on the firm's objectivity and its ability to issue an audit report in the current period. The firm shall also consider the impact of the breach, if any, on the firm's objectivity in relation to any previously issued audit reports, and the possibility of withdrawing such audit reports, and discuss the matter with those charged with governance.	R404.6 <i>If the breach occurred prior to the issuance of the previous audit report, the firm shall comply with the provisions of C1 in evaluating the significance of the breach and its impact on the firm's objectivity and its ability to issue an audit report in the current period.</i>	
		R404.7 <i>The firm shall also consider the impact of the breach, if any, on the firm's objectivity in relation to any previously issued audit reports, and the possibility of withdrawing such audit reports, and discuss the matter with those charged with governance.</i>	
290.49	The firm shall document the breach, the action taken, key decisions made and all the matters discussed with those charged with governance and any discussions with a member body, relevant regulator or oversight authority. When the firm continues with the audit engagement, the matters to be documented shall also include the conclusion that, in the firm's professional judgment, objectivity has not been compromised and the rationale for why the action taken	R404.8 <i>The firm shall document:</i> (a) <i>The breach;</i> (b) <i>The action taken;</i> (c) <i>Key decisions made;</i> (d) <i>All the matters discussed with those charged with governance; and</i> (e) <i>Any discussions with a professional body, regulator or oversight authority.</i>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	satisfactorily addressed the consequences of the breach such that the firm could issue an audit report.	R 404.9 <i>If the firm continues with the audit engagement, it shall also document the conclusion that, in the firm's professional judgment, objectivity has not been compromised and why the action taken satisfactorily addressed the consequences of the breach so that the firm could issue an audit report.</i>	
Paragraphs 290.50 to 290.99 are intentionally left blank.			Similar provisions will be included in the Draft Restructured Code if required.
Application of the Conceptual Framework Approach to Independence			
290.100	Paragraphs 290.102 to 290.228 describe specific circumstances and relationships that create or may create threats to independence. The paragraphs describe the potential threats and the types of safeguards that may be appropriate to eliminate the threats or reduce them to an acceptable level and identify certain situations where no safeguards could reduce the threats to an acceptable level. The paragraphs do not describe all of the circumstances and relationships that create or may create a threat to independence. The firm and the members of the audit team shall evaluate the implications of similar, but different, circumstances and relationships and determine whether safeguards,	400.3 C1 describes circumstances and relationships that cause or might cause threats to independence. It describes the potential threats and safeguards that might be appropriate to eliminate the threats or reduce them to an acceptable level. It identifies situations where no safeguards could reduce the threats to an acceptable level but does not describe all situations that might cause a threat. The conceptual framework requires a professional accountant to evaluate the implications of similar, but different, circumstances and relationships and determine whether safeguards, including the safeguards in paragraphs 300.2 A8 to A14, can be applied to eliminate the threats to independence or reduce them to an acceptable level.	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	including the safeguards in paragraphs 200.12 to 200.15, can be applied when necessary to eliminate the threats to independence or reduce them to an acceptable level.		
290.101	Paragraphs 290.102 to 290.125 contain references to the materiality of a financial interest, loan, or guarantee, or the significance of a business relationship. For the purpose of determining whether such an interest is material to an individual, the combined net worth of the individual and the individual's immediate family members may be taken into account.	510.2 In Sections 511 and 512 "materiality" is used to refer to a financial interest, loan, or guarantee, or the "significance" of a business relationship. For the purpose of determining whether such an interest is material or significant to an individual, the combined net worth of the individual and the individual's immediate family members may be taken into account.	
Financial Interests			
290.102	Holding a financial interest in an audit client may create a self-interest threat. The existence and significance of any threat created depends on: (a) The role of the person holding the financial interest, (b) Whether the financial interest is direct or indirect, and (c) The materiality of the financial interest.	511.1 Holding a financial interest in an audit client might cause a self-interest threat. The existence and significance of any threat depends on: (a) The individual holding the financial interest; (b) The materiality of the financial interest; and (c) Whether the financial interest is direct or indirect. Subsection 511 contains requirements and application material on applying the conceptual framework to financial interests.	
290.103	Financial interests may be held through an intermediary (for example, a collective	511.2 Financial interests might be held directly. Financial interests might also be held indirectly through an	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	investment vehicle, estate or trust). The determination of whether such financial interests are direct or indirect will depend upon whether the beneficial owner has control over the investment vehicle or the ability to influence its investment decisions. When control over the investment vehicle or the ability to influence investment decisions exists, this Code defines that financial interest to be a direct financial interest. Conversely, when the beneficial owner of the financial interest has no control over the investment vehicle or ability to influence its investment decisions, this Code defines that financial interest to be an indirect financial interest.	intermediary (for example, a collective investment vehicle, estate or trust). When a beneficial owner has control over the intermediary or the ability to influence investment decisions, this Code defines that financial interest to be direct. Conversely, when a beneficial owner has no control over the intermediary or the ability to influence investment decisions, this Code defines that financial interest to be indirect.	
290.104	If a member of the audit team, a member of that individual's immediate family, or a firm has a direct financial interest or a material indirect financial interest in the audit client, the self-interest threat created would be so significant that no safeguards could reduce the threat to an acceptable level. Therefore, none of the following shall have a direct financial interest or a material indirect financial interest in the client: a member of the audit team; a member of that individual's immediate family; or the firm.	<p>R511.3 A direct financial interest or a material indirect financial interest in the audit client shall not be held by:</p> <p>(a) The firm or a network firm;</p> <p>(b) A member of the audit team, or any of that individual's immediate family; ...</p>	Network firm now explicitly stated for clarity.
290.105	When a member of the audit team has a close	R511.9 A firm shall apply the conceptual framework	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	<p>family member who the audit team member knows has a direct financial interest or a material indirect financial interest in the audit client, a self-interest threat is created. The significance of the threat will depend on factors such as:</p> <p>(a) The nature of the relationship between the member of the audit team and the close family member; and</p> <p>(b) The materiality of the financial interest to the close family member.</p> <p>The significance of the threat shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an acceptable level.</p> <p>Examples of such safeguards include:</p> <p>(a) The close family member disposing, as soon as practicable, of all of the financial interest or disposing of a sufficient portion of an indirect financial interest so that the remaining interest is no longer material;</p> <p>(b) Having a professional accountant review the work of the member of the audit team; or</p> <p>(c) Removing the individual from the audit team.</p>	<p>contained in Section 120 and paragraph R400.7 in the following circumstances related to financial interests:</p> <p>(a) If a member of the audit team knows that a close family member has a direct or material indirect financial interest in the audit client; (Ref: Para. 511.9 A1).</p>	
		<p>511.9 A1 A self-interest threat might be caused if a member of the audit team has a close family member who the audit team member knows has a direct or material indirect financial interest in the audit client. The significance of any threat caused depends on factors such as:</p> <ul style="list-style-type: none"> • The nature of the relationship between the member of the audit team and the close family member; and • The materiality of the financial interest to the close family member. <p><i>Examples of safeguards include:</i></p> <ul style="list-style-type: none"> • <i>The close family member disposing, as soon as practicable, of all of the financial interest or disposing of enough of an indirect financial interest so that the remaining interest is no longer material;</i> • <i>Having a professional accountant review the work of the member of the audit team; or</i> • <i>Removing the individual from the audit team.</i> 	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
290.106	If a member of the audit team, a member of that individual's immediate family, or a firm has a direct or material indirect financial interest in an entity that has a controlling interest in the audit client, and the client is material to the entity, the self-interest threat created would be so significant that no safeguards could reduce the threat to an acceptable level. Therefore, none of the following shall have such a financial interest: a member of the audit team; a member of that individual's immediate family; and the firm.	R511.5 When an entity has a controlling interest in an audit client and the audit client is material to the entity, neither the firm, nor a network firm, nor a member of the audit team, nor a member of that individual's immediate family shall hold a direct or material indirect financial interest in that entity.	Network firm now explicitly stated for clarity.
290.107	The holding by a firm's retirement benefit plan of a direct or material indirect financial interest in an audit client creates a self-interest threat. The significance of the threat shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an acceptable level.	R511.9 A firm shall apply the conceptual framework contained in Section 120 and paragraph R400.7 in the following circumstances related to financial interests: ... (b) If the retirement benefit plan of a firm or a network firm holds a direct or material indirect financial interest in an audit client.	
290.108	If other partners in the office in which the engagement partner practices in connection with the audit engagement, or their immediate family members, hold a direct financial interest or a material indirect financial interest in that audit client, the self-interest threat created would be so significant that no safeguards could reduce the threat to an acceptable level. Therefore, neither such partners nor their immediate family	R511.4 A direct financial interest or a material indirect financial interest in the audit client shall not be held by : ... (c) Any other partner in the office in which an engagement partner practices in connection with the audit engagement, or any of that other partner's immediate family; ...	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	members shall hold any such financial interests in such an audit client.		
290.109	The office in which the engagement partner practices in connection with the audit engagement is not necessarily the office to which that partner is assigned. Accordingly, when the engagement partner is located in a different office from that of the other members of the audit team, professional judgment shall be used to determine—in which office the partner practices in connection with that engagement.	511.3 A1 The office in which the engagement partner practices in connection with an audit engagement is not necessarily the office to which that partner is assigned. When the engagement partner is located in a different office from that of the other members of the audit team, professional judgment is needed to determine the office in which the partner practices in connection with the engagement.	The “shall” requirement to use professional judgment is inherent within the conceptual framework.
290.110	If other partners and managerial employees who provide non-audit services to the audit client, except those whose involvement is minimal, or their immediate family members, hold a direct financial interest or a material indirect financial interest in the audit client, the self-interest threat created would be so significant that no safeguards could reduce the threat to an acceptable level. Accordingly, neither such personnel nor their immediate family members shall hold any such financial interests in such an audit client.	R511.3 A direct financial interest or a material indirect financial interest in the audit client shall not be held by: ... (d) Any other partner or managerial employee who provides non-audit services to the audit client, except for any whose involvement is minimal, or any of their immediate family members.	
290.111	Despite paragraphs 290.108 and 290.110, the holding of a financial interest in an audit client by an immediate family member of:	R511.4 As an exception to paragraph R511.3, an immediate family member described in subparagraphs 511.3 (c) or (d) may hold a direct or material indirect financial	This is noted as a requirement paragraph as it is an exception to

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	<p>(a) A partner located in the office in which the engagement partner practices in connection with the audit engagement; or</p> <p>(b) A partner or managerial employee who provides non-audit services to the audit client is deemed not to compromise independence if the financial interest is received as a result of the immediate family member's employment rights (for example, through pension or share option plans) and, when necessary, safeguards are applied to eliminate any threat to independence or reduce it to an acceptable level.</p> <p>However, when the immediate family member has or obtains the right to dispose of the financial interest or, in the case of a stock option, the right to exercise the option, the financial interest shall be disposed of or forfeited as soon as practicable.</p>	<p>interest in an audit client, provided that:</p> <p>(a) The family member received the financial interest because of employment rights (for example, through pension or share option plans):</p> <p>(b) The family member disposes of the financial interest as soon as practicable (for example, in the case of a stock option, when the family member obtains the right to exercise the option); and</p> <p>(c) When necessary, the firm applies safeguards to eliminate any threat to independence or reduce it to an acceptable level.</p>	R511.3.
290.112	A self-interest threat may be created if the firm or a member of the audit team, or a member of that individual's immediate family, has a financial interest in an entity and an audit client also has a financial interest in that entity. However, independence is deemed not to be compromised if these interests are immaterial and the audit	<p>R511.7 (a) A firm, or a network firm, or a member of the audit team, or a member of that individual's immediate family shall not hold a financial interest in an entity when an audit client also has a financial interest in that entity, unless:</p> <p>(i) The financial interests are immaterial to the firm, the network firm, the member of the audit team, that individual's immediate family and the audit</p>	<p>Network firm now explicitly stated for clarity.</p> <p>See also section D of Agenda Item 2-A.</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	<p>client cannot exercise significant influence over the entity. If such interest is material to any party, and the audit client can exercise significant influence over the other entity, no safeguards could reduce the threat to an acceptable level. Accordingly, the firm shall not have such an interest and any individual with such an interest shall, before becoming a member of the audit team, either:</p> <p>(a) Dispose of the interest; or</p> <p>Dispose of a sufficient amount of the interest so that the remaining interest is no longer material.</p>	<p>client, as the case may be; or</p> <p>(ii) The audit client cannot exercise significant influence over the entity.</p> <p>(b) Before an individual can become a member of the audit team, the individual or that individual's immediate family member shall either:</p> <p>(i) Dispose of the interest; or</p> <p>(ii) Dispose of enough of the interest so that the remaining interest is no longer material.</p>	
290.113	<p>A self-interest, familiarity or intimidation threat may be created if a member of the audit team, or a member of that individual's immediate family, or the firm, has a financial interest in an entity when a director, officer or controlling owner of the audit client is also known to have a financial interest in that entity. The existence and significance of any threat will depend upon factors such as:</p> <p>(a) The role of the professional on the audit team;</p> <p>(b) Whether ownership of the entity is closely or widely held;</p> <p>(c) Whether the interest gives the investor</p>	<p>R511.9 A firm shall apply the conceptual framework contained in Section 120 and paragraph R400.7 in the following circumstances related to financial interests:</p> <p>(c) If a member of the audit team, or a member of that individual's immediate family, or the firm or a network firm, has a financial interest in an entity and a director or officer or controlling owner of the audit client is also known to have a financial interest in the same entity. (Ref: Para. 511.9 A2)</p>	
		<p>511.9 A2 Self-interest, familiarity, or intimidation threats might be caused if a member of the audit team, or an immediate family member of that individual, or the firm or a network firm has a financial interest in an entity when a director or officer or controlling owner of the audit client is</p>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	<p>the ability to control or significantly influence the entity; and</p> <p>(d) The materiality of the financial interest.</p> <p>The significance of any threat shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an acceptable level.</p> <p>Examples of such safeguards include:</p> <p>(a) Removing the member of the audit team with the financial interest from the audit team; or</p> <p>(b) Having a professional accountant review the work of the member of the audit team.</p>	<p>also known to have a financial interest in that entity. The existence and significance of any threat might depend upon factors such as:</p> <ul style="list-style-type: none"> • The role of the individual on the audit team; • Whether ownership of the entity is closely or widely held; • Whether the interest allows the investor to control or significantly influence the entity; and • The materiality of the financial interest. <p><i>Examples of safeguards include:</i></p> <ul style="list-style-type: none"> • <i>Removing the member of the audit team with the financial interest from the audit team; or</i> • <i>Having a professional accountant review the work of the member of the audit team.</i> 	
290.114	<p>The holding by a firm, or a member of the audit team, or a member of that individual's immediate family, of a direct financial interest or a material indirect financial interest in the audit client as a trustee creates a self-interest threat. Similarly, a self-interest threat is created when:</p> <p>(a) A partner in the office in which the engagement partner practices in connection with the audit;</p> <p>(b) Other partners and managerial employees who provide non-assurance services to the audit client, except those whose</p>	<p>R511.7 Paragraph R511.3 applies to a financial interest held as trustee as it does to other financial interests, unless:</p> <p>(a) None of the following is a beneficiary of the trust: the trustee, an immediate family member of the trustee, the firm or a network firm;</p> <p>(b) The interest in the audit client held by the trust is not material to the trust;</p> <p>(c) The trust is not able to exercise significant influence over the audit client; and</p>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
	<p>involvement is minimal; or</p> <p>(c) Their immediate family members, hold a direct financial interest or a material indirect financial interest in the audit client as trustee.</p> <p>Such an interest shall not be held unless:</p> <p>(a) Neither the trustee, nor an immediate family member of the trustee, nor the firm are beneficiaries of the trust;</p> <p>(b) The interest in the audit client held by the trust is not material to the trust;</p> <p>(c) The trust is not able to exercise significant influence over the audit client; and</p> <p>(d) The trustee, an immediate family member of the trustee, or the firm cannot significantly influence any investment decision involving a financial interest in the audit client.</p>	<p>(d) None of the following can significantly influence any investment decision involving a financial interest in the audit client: the trustee, an immediate family member of the trustee, the firm or a network firm.</p>
290.115	<p>Members of the audit team shall determine whether a self-interest threat is created by any known financial interests in the audit client held by other individuals including:</p> <p>(a) Partners and professional employees of the firm, other than those referred to above, or their immediate family members; and</p>	<p>R511.9 A firm shall apply the conceptual framework contained in Section 120 and paragraph R400.7 in the following circumstances related to financial interests:</p> <p>(d) If a member of the audit team knows that a financial interest in the audit client is held by other individuals, such as:</p> <p>(i) Partners and professional employees of the firm or network firm, in addition to those who are specifically not permitted to hold such financial interests by</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	<p>(b) Individuals with a close personal relationship with a member of the audit team.</p> <p>Whether these interests create a self-interest threat will depend on factors such as:</p> <ul style="list-style-type: none"> The firm's organizational, operating and reporting structure; and The nature of the relationship between the individual and the member of the audit team. <p>The significance of any threat shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an acceptable level. Examples of such safeguards include:</p> <ul style="list-style-type: none"> Removing the member of the audit team with the personal relationship from the audit team; Excluding the member of the audit team from any significant decision-making concerning the audit engagement; or Having a professional accountant review the work of the member of the audit team. 	<p>paragraph R511.3, or their immediate family members; or</p> <p>(ii) Individuals with a close personal relationship with a member of the audit team. (Ref: Para 511.9 A3</p> <hr/> <p>511.9 A3 Whether the interests described in paragraph R511.9 (d) cause a self-interest threat might depend on factors such as:</p> <ul style="list-style-type: none"> The firm's organizational, operating and reporting structure; and The nature of the relationship between the individual and the member of the audit team. <p>Examples of safeguards include:</p> <ul style="list-style-type: none"> <i>Removing the member of the audit team with the personal relationship from the audit team;</i> <i>Excluding the member of the audit team from any significant decision-making concerning the audit engagement; or</i> <i>Having a professional accountant review the work of the member of the audit team</i> 	
290.116	If a firm or a partner or employee of the firm, or a member of that individual's immediate family, receives a direct financial interest or a material indirect financial interest in an audit client, for	R511.8 If a firm, a network firm or a partner or employee of the firm or a network firm, or a member of that individual's immediate family, receives a direct financial interest or a material indirect financial interest in an audit	Network firm explicitly stated for clarity.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
	<p>example, by way of an inheritance, gift or as a result of a merger and such interest would not be permitted to be held under this section, then:</p> <p>(a) If the interest is received by the firm, the financial interest shall be disposed of immediately, or a sufficient amount of an indirect financial interest shall be disposed of so that the remaining interest is no longer material;</p> <p>(b) If the interest is received by a member of the audit team, or a member of that individual's immediate family, the individual who received the financial interest shall immediately dispose of the financial interest, or dispose of a sufficient amount of an indirect financial interest so that the remaining interest is no longer material; or</p> <p>(c) If the interest is received by an individual who is not a member of the audit team, or by an immediate family member of the individual, the financial interest shall be disposed of as soon as possible, or a sufficient amount of an indirect financial interest shall be disposed of so that the remaining interest is no longer material. Pending the disposal of the financial interest, a determination shall be made as</p>	<p>client by way of an inheritance, gift, as a result of a merger or in similar circumstances and the interest would not otherwise be permitted to be held under this section then:</p> <p>(a) If the interest is received by the firm or a network firm, or a member of the audit team or a member of the immediate family of that individual, the financial interest shall be disposed of immediately, or enough of an indirect financial interest shall be disposed of so that the remaining interest is no longer material; or</p> <p>(b) (i) If the interest is received by an individual who is not a member of the audit team, or by an immediate family member of that individual, the financial interest shall be disposed of as soon as possible, or enough of an indirect financial interest shall be disposed of so that the remaining interest is no longer material, and</p> <p>(ii) Pending the disposal of the financial interest, the firm shall determine whether safeguards are necessary.</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	to whether any safeguards are necessary.		
Loans and Guarantees			
290.117	A loan, or a guarantee of a loan, to a member of the audit team, or a member of that individual's immediate family, or the firm from an audit client that is a bank or a similar institution may create a threat to independence. If the loan or guarantee is not made under normal lending procedures, terms and conditions, a self-interest threat would be created that would be so significant that no safeguards could reduce the threat to an acceptable level. Accordingly, neither a member of the audit team, a member of that individual's immediate family, nor a firm shall accept such a loan or guarantee.	R512.2 A firm, a network firm, a member of the audit team, or a member of that individual's immediate family shall not accept a loan, or a guarantee of a loan, from an audit client that is a bank or a similar institution unless the loan or guarantee is made under normal lending procedures, terms and conditions.	Network firm explicitly stated for clarity.
290.118	If a loan to a firm from an audit client that is a bank or similar institution is made under normal lending procedures, terms and conditions and it is material to the audit client or firm receiving the loan, it may be possible to apply safeguards to reduce the self-interest threat to an acceptable level. An example of such a safeguard is having the work reviewed by a professional accountant from a network firm that is neither involved with the audit nor received the loan.	512.2 A1 If a loan to a firm or network firm from an audit client that is a bank or similar institution is made under normal lending procedures, terms and conditions and it is material to the audit client or firm receiving the loan, it might be possible to apply safeguards to reduce the self-interest threat to an acceptable level. An example of such a safeguard is having the work reviewed by a professional accountant from a network firm that is neither involved with the audit nor received the loan.	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
290.119	A loan, or a guarantee of a loan, from an audit client that is a bank or a similar institution to a member of the audit team, or a member of that individual's immediate family, does not create a threat to independence if the loan or guarantee is made under normal lending procedures, terms and conditions. Examples of such loans include home mortgages, bank overdrafts, car loans and credit card balances.	512.2 A2 A loan, or a guarantee of a loan, from an audit client that is a bank or a similar institution to a member of the audit team, or a member of that individual's immediate family, does not cause a threat to independence if the loan or guarantee is made under normal lending procedures, terms and conditions. Examples of such loans include: home mortgages; bank overdrafts; car loans; and credit card balances.	
290.120	If the firm or a member of the audit team, or a member of that individual's immediate family, accepts a loan from, or has a borrowing guaranteed by, an audit client that is not a bank or similar institution, the self-interest threat created would be so significant that no safeguards could reduce the threat to an acceptable level, unless the loan or guarantee is immaterial to both (a) the firm or the member of the audit team and the immediate family member, and (b) the client.	<p>R512.3 A firm, a network firm, a member of the audit team, or a member of that individual's immediate family, shall not accept a loan from, or have a borrowing guaranteed by, an audit client that is not a bank or similar institution, unless the loan or guarantee is immaterial to:</p> <p>(a) The firm, the relevant network firm, or the member of the audit team and the immediate family member receiving the loan, as the case may be; and</p> <p>(b) The client.</p>	Network firm explicitly stated for clarity.
290.121	Similarly, if the firm or a member of the audit team, or a member of that individual's immediate family, makes or guarantees a loan to an audit client, the self-interest threat created would be so significant that no safeguards could reduce the threat to an acceptable level, unless the loan or guarantee is immaterial to both (a) the firm or	<p>R512.4 A firm, a network firm, a member of the audit team, or a member of that individual's immediate family, shall not make or guarantee a loan to, an audit client unless the loan or guarantee is immaterial to:</p> <p>(a) The firm, the relevant network firm, or the member of the audit team and the immediate family member making the loan</p>	Network firm explicitly stated

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	the member of the audit team and the immediate family member, and (b) the client.	or guarantee, as the case may be; and (b) The client.	
290.122	If a firm or a member of the audit team, or a member of that individual's immediate family, has deposits or a brokerage account with an audit client that is a bank, broker or similar institution, a threat to independence is not created if the deposit or account is held under normal commercial terms.	R512.5 The firm, the network firm, a member of the audit team, or a member of that individual's immediate family, shall not have deposits or a brokerage account with an audit client that is a bank, broker or similar institution, unless the deposit or account is held under normal commercial terms.	Network firm explicitly stated for clarity.
Business Relationships			
290.123	<p>A close business relationship between a firm, or a member of the audit team, or a member of that individual's immediate family, and the audit client or its management, arises from a commercial relationship or common financial interest and may create self-interest or intimidation threats.</p> <p>Examples of such relationships include:</p> <ul style="list-style-type: none"> • Having a financial interest in a joint venture with either the client or a controlling owner, director, officer or other individual who performs senior managerial activities for that client. • Arrangements to combine one or more services or products of the firm with one or more services or products of the client and 	<p>521.1 A close business relationship between a professional accountant and an audit client might cause self-interest or intimidation threats. Subsection 521 contains requirements and application material on applying the conceptual framework to these business relationships.</p> <p>521.4 A1 Examples of a close business relationship arising from a commercial relationship or common financial interest include:</p> <ul style="list-style-type: none"> • Having a financial interest in a joint venture with either the client or a controlling owner, director, officer or other individual who performs senior managerial activities for that client. • Arrangements to combine one or more services or products of the firm or the network firm with one or more services or products of the client and to market the 	Network firm explicitly stated for clarity.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	<p>to market the package with reference to both parties.</p> <ul style="list-style-type: none"> Distribution or marketing arrangements under which the firm distributes or markets the client's products or services, or the client distributes or markets the firm's products or services. <p>Unless any financial interest is immaterial and the business relationship is insignificant to the firm and the client or its management, the threat created would be so significant that no safeguards could reduce the threat to an acceptable level. Therefore, unless the financial interest is immaterial and the business relationship is insignificant, the business relationship shall not be entered into, or it shall be reduced to an insignificant level or terminated.</p> <p>In the case of a member of the audit team, unless any such financial interest is immaterial and the relationship is insignificant to that member, the individual shall be removed from the audit team.</p> <p>If the business relationship is between an immediate family member of a member of the audit team and the audit client or its management, the significance of any threat shall</p>	<p>package with reference to both parties.</p> <p>Distribution or marketing arrangements under which the firm or the network firm distributes or markets the client's products or services, or the client distributes or markets the firm's or the network firm's products or services.</p>	
		<p>R521.2 he firm, a network firm or a member of the audit team shall not have a close business relationship with an audit client or its management unless the financial interest is immaterial and the business relationship is insignificant to the firm, the network firm or the member of the audit team, as the case may be, and the client or its management.</p>	See also section D of Agenda Item 2-A.
		<p>R521.3 If an immediate family member of a member of the audit team has a close business relationship with an audit client or its management, the firm shall apply the conceptual framework contained in Section 120 and paragraph R400.7.</p>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
	be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an acceptable level.		
290.124	A business relationship involving the holding of an interest by the firm, or a member of the audit team, or a member of that individual's immediate family, in a closely-held entity when the audit client or a director or officer of the client, or any group thereof, also holds an interest in that entity does not create threats to independence if:	R521.4 The firm, a network firm, a member of the audit team, or a member of that individual's immediate family shall not have a business relationship involving the holding of an interest in a closely-held entity when an audit client or a director or officer of the client, or any group thereof, also holds an interest in that entity, unless:	Network Firm specified for clarity. See also section D of Agenda Item 2-A.
	<p>(a) The business relationship is insignificant to the firm, the member of the audit team and the immediate family member, and the client;</p> <p>(b) The financial interest is immaterial to the investor or group of investors; and</p> <p>(c) The financial interest does not give the investor, or group of investors, the ability to control the closely-held entity.</p>	<p>(a) The business relationship is insignificant to the firm, the network firm, or the member of the audit team and the immediate family member, as the case may be, and the client;</p> <p>(b) The financial interest is immaterial to the investor or group of investors; and</p> <p>(c) The financial interest does not give the investor, or group of investors, the ability to control the closely-held entity.</p>	
290.125	The purchase of goods and services from an audit client by the firm, or a member of the audit team, or a member of that individual's immediate family, <u>does not generally create a threat</u> to independence if the transaction is in the normal	521.5 A1 The purchase of goods and services from an audit client by a firm, a network firm, a member of the audit team, or a member of that individual's immediate family does not generally cause a threat to independence if the transaction is in the normal course of business and at arm's	Network firm explicitly stated for clarity.

VERSION 4 Tranches I and II August 25, 2015

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
	<p>course of business and at arm's length. However, such transactions may be of such a nature or magnitude that they create a self-interest threat. The significance of any threat shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an acceptable level. Examples of such safeguards include:</p> <ul style="list-style-type: none"> • Eliminating or reducing the magnitude of the transaction; or • Removing the individual from the audit team. 	<p>length. However, such transactions might be of such a nature and magnitude that they cause a self-interest threat.</p> <p><i>Examples of safeguards include:</i></p> <ul style="list-style-type: none"> • <i>Eliminating or reducing the magnitude of the transaction; or</i> • <i>Removing the individual from the audit team.</i>
		<i>New Paragraphs Without an Equivalent in the Extant Code</i>
	<p>402.1 Documentation of the work performed by a professional accountant serves several purposes, including:</p> <p>(a) Facilitating a logical approach to the consistent application of professional standards to engagements;</p> <p>(b) Providing evidence of the nature and extent of work in applying those standards;</p> <p>(c) Demonstrating how professional judgement has been exercised to form conclusions in relation to an engagement;</p> <p>(d) Supporting proper review and analysis of decisions made and work performed;</p>	<p>New introductory paragraph to documentation subsection.</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
		<p>(e) Assisting with resolving issues that might arise after completion of an engagement; and</p> <p>(d) Providing support for the professional accountant's work, should it later be called into question.</p>	
		<p>510.1 A financial relationship between a professional accountant and an audit client might cause a threat to compliance with the fundamental principles. Sections 511 and 512 contain requirements and application material on applying the conceptual framework to these financial relationships.</p>	New introductory conceptual framework language.
		<p>R510.3 A professional accountant shall apply the conceptual framework contained in Section 120 and paragraph R400.7 in relation to financial relationships.</p>	New introductory conceptual framework language.
		<p>510.3 A1 Financial relationships between a professional accountant and an audit client that might cause self-interest, intimidation or familiarity threats include:</p> <ul style="list-style-type: none"> • Financial interests held in an audit client • Loans, or guarantees of loans, made between a professional accountants and an audit client • Other types of financial relationships. 	New introductory language
		<p>512.1 A loan or a guarantee of a loan between a professional accountant and an audit client might cause self-interest or other threats. Subsection 512 contains</p>	New introductory conceptual framework language.

VERSION 4 Tranches I and II August 25, 2015

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code		Comments
		requirements and application material on applying the conceptual framework to loans and guarantees.	
		<p>520.1 In addition to financial relationships other relationships between a professional accountant and an audit client might cause self-interest, intimidation or familiarity threats to compliance with the fundamental principles. Section 520 contains requirements and application material on applying the conceptual framework to the following relationships:</p> <ul style="list-style-type: none"> • Business relationships; • Family and personal relationships; and • Relationships involving: <ul style="list-style-type: none"> • Former members of the audit team or former partners of the firm; • Firm personnel who are temporarily assigned to assist an audit client; • Members of the audit team who have recently served as a director, officer or employee of the audit client; or • Partners or employees of the firm who serve as a director or officer of the audit client. 	New introductory conceptual framework language.
		<p>R520.2 A professional accountant shall apply the conceptual framework contained in Section 120 and paragraph R400.7 in relation to other relationships.</p>	New introductory conceptual framework language.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
	<div>520.2 A1</div> <div>Subsections 521 to 526 contain requirements and application material related to specific types of relationships that might cause threats to compliance with the fundamental principles. In addition, other types of relationships might also cause such threats.</div>	<div>New</div> <div>introductory conceptual framework language.</div>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
<i>Family and Personal Relationships</i>			
290.126	Family and personal relationships between a member of the audit team and a director or officer or other employees (depending on their role) of the audit client may create self-interest, familiarity or intimidation threats.	522.1 A family or personal relationship between a member of the audit team and a director or officer or other employees (depending on their role) of the audit client might cause self-interest, familiarity or intimidation threats. Subsection 522 contains requirements and application material on applying the conceptual framework to these family or personal relationships.	New introductory material.
	The existence and significance of any threats will depend on a number of factors, including the individual's responsibilities on the audit team, the role of the family member or other individual within the client and the closeness of the relationship.	522.2 A1 The existence and significance of any threats caused by family and personal relationships will depend on a number of factors, including the individual's responsibilities on the audit team, the role of the family member or other individual within the client and the closeness of the relationship.	
290.127	When an immediate family member of a member of the audit team is: (a) a director or officer of the audit client; or (b) an employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion, or was in such a position during any period covered by the engagement or the financial statements, <u>the threats to independence can</u>	R522.3 An individual shall not participate as a member of the audit team when an immediate family member of that individual: (a) Is a director or officer of the audit client; (b) Is an employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion; or (c) Was in any such position during any period covered by the engagement or the financial statements.	Underlined text included in the requirement to comply the conceptual framework in Section 520

VERSION 4 Tranches I and II August 25, 2015

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
<p>290.128</p> <p>Threats to independence are created when an immediate family member of a member of the audit team is an employee in a position to exert significant influence over the client's financial position, financial performance or cash flows. The significance of the threats will depend on factors such as:</p> <ul style="list-style-type: none"> • The position held by the immediate family member; and • The role of the professional on the audit team. <p><u>The significance of the threat shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an acceptable level. Examples of such safeguards include:</u></p> <ul style="list-style-type: none"> • Removing the individual from the audit team; or • Structuring the responsibilities of the audit team so that the professional does not deal 	<p>522.3 A1 Threats to independence are caused when an immediate family member of a member of the audit team is an employee in a position to exert significant influence over the client's financial position, financial performance or cash flows.</p> <p>The significance of the threats will depend on factors such as:</p> <ul style="list-style-type: none"> • The position held by the immediate family member; and • The role of the professional on the audit team. <p><u>Examples of safeguards include:</u></p> <ul style="list-style-type: none"> • <u>Removing the individual from the audit team; or</u> • <u>Structuring the responsibilities of the audit team so that the professional does not deal with matters that are within the responsibility of the immediate family member.</u> 	<p>Underlined text included in the requirement to comply the conceptual framework in Section 520</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	with matters that are within the responsibility of the immediate family member.		
290.129	<p>Threats to independence are created when a close family member of a member of the audit team is:</p> <ul style="list-style-type: none"> (a) A director or officer of the audit client; or (b) An employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion. <p>The significance of the threats will depend on factors such as:</p> <ul style="list-style-type: none"> • The nature of the relationship between the member of the audit team and the close family member; • The position held by the close family member; and • The role of the professional on the audit team. <p><u>The significance of the threat shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an acceptable level.</u> Examples of such safeguards include:</p> <ul style="list-style-type: none"> • Removing the individual from the audit team; 	<p>522.3 A2 Threats to independence are created when a close family member of a member of the audit team is:</p> <ul style="list-style-type: none"> (a) A director or officer of the audit client; or (b) An employee in a position to exert significant influence over the preparation of: <ul style="list-style-type: none"> (i) The client's accounting records; or (ii) The financial statements on which the firm will express an opinion. <p>The significance of the threats will depend on factors such as:</p> <ul style="list-style-type: none"> • The nature of the relationship between the member of the audit team and the close family member; • The position held by the close family member; and • The role of the professional on the audit team. <p><i>Examples of safeguards include:</i></p> <ul style="list-style-type: none"> • <i>Removing the individual from the audit team; or</i> • <i>Structuring the responsibilities of the audit team so that the professional does not deal with matters that are within the responsibility of the close family member.</i> 	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	<p>or</p> <ul style="list-style-type: none"> Structuring the responsibilities of the audit team so that the professional does not deal with matters that are within the responsibility of the close family member. 		
290.130	<p>Threats to independence are created when a member of the audit team has a close relationship with a person who is not an immediate or close family member, but who is a director or officer or an employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion. A member of the audit team who has such a relationship shall consult in accordance with firm policies and procedures.</p>	<p>R522.4 A member of the audit team shall consult in accordance with firm policies and procedures if the member of the audit team has a close relationship with an individual who is not an immediate or close family member, but who is:</p> <ul style="list-style-type: none"> (a) A director or officer; or (b) An employee in a position to exert significant influence over the preparation of: <ul style="list-style-type: none"> (i) The client's accounting records; or (ii) The financial statements on which the firm will express an opinion. 	<p>Underlined text included in the requirement to comply the conceptual framework in 522</p>
	<p>The significance of the threats will depend on factors such as:</p> <ul style="list-style-type: none"> The nature of the relationship between the individual and the member of the audit team; The position the individual holds with the client; and The role of the professional on the audit team. <p><u>The significance of the threats shall be evaluated</u></p>	<p>522.4 A1 The significance of the threats caused by a relationship contained in paragraph R522.4 will depend on factors such as:</p> <ul style="list-style-type: none"> The nature of the relationship between the individual and the member of the audit team; The position the individual holds with the client; and The role of the professional on the audit team. <p><i>Examples of safeguards include:</i></p>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	<p><u>and safeguards applied when necessary to eliminate the threats or reduce them to an acceptable level.</u> Examples of such safeguards include:</p> <ul style="list-style-type: none"> Removing the professional from the audit team; or <p>Structuring the responsibilities of the audit team so that the professional does not deal with matters that are within the responsibility of the individual with whom the professional has a close relationship.</p>	<ul style="list-style-type: none"> <i>Removing the professional from the audit team; or</i> <i>Structuring the responsibilities of the audit team so that the professional does not deal with matters that are within the responsibility of the individual with whom the professional has a close relationship.</i> 	
290.131	<p>Self-interest, familiarity or intimidation threats may be created by a personal or family relationship between</p> <p>(a) a partner or employee of the firm who is not a member of the audit team and</p> <p>(b) a director or officer of the audit client or an employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion. Partners and employees of the firm who are aware of such relationships shall consult in accordance with firm policies and procedures.</p>	<p>R522.5 Partners and employees of the firm shall consult in accordance with firm policies and procedures if they are aware of a personal or family relationship between:</p> <p>(a) A partner or employee of the firm who is not a member of the audit team and</p> <p>(b) A director or officer of the audit client or an employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion.</p>	Underlined text included in the requirement to comply the conceptual framework in 520
	The existence and significance of any threat will	522.5 A1 The existence and significance of any threat	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
<p>depend on factors such as:</p> <ul style="list-style-type: none"> • The nature of the relationship between the partner or employee of the firm and the director or officer or employee of the client; • The interaction of the partner or employee of the firm with the audit team; • The position of the partner or employee within the firm; and • The position the individual holds with the client. <p><u>The significance of any threat shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an acceptable level.</u> Examples of such safeguards include:</p> <ul style="list-style-type: none"> • Structuring the partner's or employee's responsibilities to reduce any potential influence over the audit engagement; or <p>Having a professional accountant review the relevant audit work performed.</p>	<p>will depend on factors such as:</p> <ul style="list-style-type: none"> • The nature of the relationship between the partner or employee of the firm and the director or officer or employee of the client; • The interaction of the partner or employee of the firm with the audit team; • The position of the partner or employee within the firm; and • The position the individual holds with the client. <p><i>Examples of safeguards include:</i></p> <ul style="list-style-type: none"> • <i>Structuring the partner's or employee's responsibilities to reduce any potential influence over the audit engagement; or</i> <p><i>Having a professional accountant review the relevant audit work performed.</i></p>	
Employment with an Audit Client		
290.132	Familiarity or intimidation threats may be created if a director or officer of the audit client, or an employee in a position to exert significant influence over the preparation of the client's	523.1 An employment relationship between a former partner or employee of a firm and an audit client might cause familiarity or intimidation threats. In particular, a threat might be caused if any of the following individuals have been
		New introductory language.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	<p>accounting records or the financial statements on which the firm will express an opinion, has been a member of the audit team or partner of the firm.</p>	<p>a member of the audit team or partner of the firm:</p> <ul style="list-style-type: none"> • A director or officer of the audit client; or • An employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion. <p>Subsection 523 contains requirements and application material on applying the conceptual framework to these employment relationships</p>	
290.133	<p>If a former member of the audit team or partner of the firm has joined the audit client in such a position and a significant connection remains between the firm and the individual, the threat would be so significant that no safeguards could reduce the threat to an acceptable level. Therefore, independence would be deemed to be compromised if a former member of the audit team or partner joins the audit client as a director or officer, or as an employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion, unless:</p> <p>(a) The individual is not entitled to any benefits or payments from the firm, unless made in accordance with fixed pre-determined</p>	<p>R523.3 (a) A firm shall not perform an audit engagement for an audit client if a former partner of the firm or a former member of the audit team joins the client as:</p> <p>(i) A director or officer; or</p> <p>(ii) An employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion,</p> <p>unless no significant connection remains between the firm and the individual.</p> <p>(b) To ensure that no such significant connection remains the following conditions shall be met:</p> <p>(i) The individual is not entitled to any benefits or payments from the firm that are not made in accordance with fixed pre-determined arrangements;</p> <p>(ii) Any amount owed to the individual is not material to</p>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	<p>arrangements, and any amount owed to the individual is not material to the firm; and</p> <p>(b) The individual does not continue to participate or appear to participate in the firm's business or professional activities.</p>	<p>the firm; and</p> <p>(iii) The individual does not continue to participate or appear to participate in the firm's business or professional activities.</p>	
290.134	<p>If a former member of the audit team or partner of the firm has joined the audit client in such a position, and no significant connection remains between the firm and the individual,</p>	<p>R523.3 A firm shall not perform an audit engagement for an audit client if a former partner joins the client or a former member of the audit team joins the client as..... unless no significant connection remains between the firm and the individual.</p>	
	<p>the existence and significance of any familiarity or intimidation threats will depend on factors such as:</p> <ul style="list-style-type: none"> • The position the individual has taken at the client; • Any involvement the individual will have with the audit team; • The length of time since the individual was a member of the audit team or partner of the firm; and • The former position of the individual within the audit team or firm. An example includes, whether the individual was responsible for maintaining regular contact with the client's management or those charged with 	<p>523.3 A1 The existence and significance of any familiarity or intimidation threats will depend on factors such as:</p> <ul style="list-style-type: none"> • The position the individual has taken at the client; • Any involvement the individual will have with the audit team; • The length of time since the individual was a member of the audit team or partner of the firm; and • The former position of the individual within the audit team or firm. An example includes, whether the individual was responsible for maintaining regular contact with the client's management or those charged with governance. <p><i>Examples of safeguards include:</i></p> <ul style="list-style-type: none"> • <i>Modifying the audit plan;</i> 	<p>Underlined text included in the requirement to comply the conceptual framework in 520</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
<p>governance.</p> <p><u>The significance of any threats created shall be evaluated and safeguards applied when necessary to eliminate the threats or reduce them to an acceptable level.</u> Examples of safeguards include:</p> <ul style="list-style-type: none"> • Modifying the audit plan; • Assigning individuals to the audit team who have sufficient experience in relation to the individual who has joined the client; or • Having a professional accountant review the work of the former member of the audit team. 	<ul style="list-style-type: none"> • <i>Assigning individuals to the audit team who have sufficient experience in relation to the individual who has joined the client; or</i> • <i>Having a professional accountant review the work of the former member of the audit team.</i> 	
<p>290.135</p> <p>If a former partner of the firm has previously joined an entity in such a position and the entity subsequently becomes an audit client of the firm, the significance of any threat to independence shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an acceptable level.</p>	<p>523.3 A2 The requirement to apply the conceptual framework also applies if, prior to an entity becoming an client of the firm, a former partner of the firm has joined the entity as</p> <p>(a) <u>A director or officer; or</u></p> <p>(b) <u>An employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion.</u></p>	<p>Text included in the requirement to comply the conceptual framework in Section 520</p> <p>Underlined text relates back to 290.132.</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
290.136	A self-interest threat is created when a member of the audit team participates in the audit engagement while knowing that the member of the audit team will, or may, join the client some time in the future.	523.4 A1 A self-interest threat is created when a member of the audit team participates in the audit engagement while knowing that the member of the audit team will, or might, join the client at some time in the future...	
	Firm policies and procedures shall require members of an audit team to notify the firm when entering employment negotiations with the client. On receiving such notification, the significance of the threat shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an acceptable level.	R523.4 A firm shall: (a) Have policies and procedures that require members of an audit team to notify the firm when entering employment negotiations with an audit client; and (b) On receiving such notification, apply the conceptual framework.	
	Examples of such safeguards include: <ul style="list-style-type: none">• Removing the individual from the audit team; or• A review of any significant judgments made by that individual while on the team.	523.4 A1 A self-interest threat is created when a member of the audit team ... <i>Examples of safeguards include:</i> <ul style="list-style-type: none">• <i>Removing the individual from the audit team; or</i>• <i>Reviewing any significant judgments made by that individual while on the team</i>	
Audit Clients that are Public Interest Entities			
290.137	Familiarity or intimidation threats are created when a key audit partner joins the audit client that is a public interest entity as: (a) A director or officer of the entity; or	R523.5 If an individual who was a key audit partner joins an audit client of the firm that is a public interest entity as: • A director or officer, or	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
<p>(b) An employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion.</p> <p>Independence would be deemed to be compromised unless, subsequent to the partner ceasing to be a key audit partner, the public interest entity had issued audited financial statements covering a period of not less than twelve months and the partner was not a member of the audit team with respect to the audit of those financial statements.</p>	<ul style="list-style-type: none"> An employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion, <p>the firm shall not perform an audit engagement for that client, unless subsequent to the partner ceasing to be a key audit partner:</p> <p>(a) The public interest entity has issued audited financial statements covering a period of not less than twelve months; and</p> <p>(b) The partner was not a member of the audit team with respect to the audit of those financial statements.</p>	
<p>290.138</p> <p>An intimidation threat is created when the individual who was the firm's Senior or Managing Partner (Chief Executive or equivalent) joins an audit client that is a public interest entity as:</p> <p>(a) An employee in a position to exert significant influence over the preparation of the entity's accounting records or its financial statements; or</p> <p>(b) A director or officer of the entity.</p> <p>Independence would be deemed to be compromised unless twelve months have passed since the individual was the Senior or Managing Partner (Chief Executive or equivalent) of the</p>	<p>R523.6 If an individual who was the Senior or Managing Partner, or Chief Executive or equivalent joins an audit client that is a public interest entity as:</p> <p>(a) A director or officer; or</p> <p>(b) An employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion,</p> <p>the firm shall not perform an audit engagement for that client, unless twelve months have passed since the individual was the Senior or Managing Partner, or Chief Executive or equivalent of the firm.</p>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	firm.		
290.139	<p>Independence is deemed not to be compromised if, as a result of a business combination, a former key audit partner or the individual who was the firm's former Senior or Managing Partner is in a position as described in paragraphs 290.137 and 290.138, and:</p> <p>(a) The position was not taken in contemplation of the business combination;</p> <p>(b) Any benefits or payments due to the former partner from the firm have been settled in full, unless made in accordance with fixed pre-determined arrangements and any amount owed to the partner is not material to the firm;</p> <p>(c) The former partner does not continue to participate or appear to participate in the firm's business or professional activities; and</p> <p>(d) The position held by the former partner with the audit client is discussed with those charged with governance.</p>	<p>R523.7 As an exception to paragraphs R523.5 and R523.6, a firm may perform an audit engagement if the circumstances contained in those paragraphs arise as a result of a business combination and:</p> <p>(a) The position was not taken in contemplation of the business combination;</p> <p>(b) Any benefits or payments due to the former partner from the firm have been settled in full, unless made in accordance with fixed pre-determined arrangements and any amount owed to the partner is not material to the firm;</p> <p>(c) The former partner does not continue to participate or appear to participate in the firm's business or professional activities; and</p> <p>(d) The firm discusses the position held with the audit client by the former partner with those charged with governance.</p>	
Temporary Staff Assignments			
290.140	The lending of staff by a firm to an audit client may create a self-review threat.	524.1 The lending of personnel by a firm to an audit client might create a self-review threat. Subsection 524 contains requirements and application material on applying	New introductory material.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
	the conceptual framework to these loans of firm personnel to an audit client.	
<p>Such assistance may be given, but only for a short period of time and the firm's personnel shall not be involved in:</p> <p>(a) Providing non-assurance services that would not be permitted under this section; or</p> <p>(b) Assuming management responsibilities.</p> <p>In all circumstances, the audit client shall be responsible for directing and supervising the activities of the loaned staff.</p>	<p>R524.3 A firm shall not loan personnel to an audit client unless:</p> <p>(a) Such assistance is provided only for a short period of time; and</p> <p>(b) The personnel are not involved in:</p> <p>(i) Providing non-assurance services that would not be permitted under C1; or</p> <p>(ii) Assuming management responsibilities; and</p> <p>In all circumstances, the audit client is responsible for directing and supervising the activities of the loaned personnel.</p>	
<p>The significance of any threat shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an acceptable level.</p>		General requirement to apply the conceptual framework
<p>Examples of such safeguards include:</p> <ul style="list-style-type: none"> • Conducting an additional review of the work performed by the loaned staff; • Not giving the loaned staff audit responsibility for any function or activity that the staff performed during the temporary 	<p><i>524.2 A1 Examples of safeguards that might be available to address a threat created by the loan of personnel by a firm to an audit client include:</i></p> <ul style="list-style-type: none"> • <i>Conducting an additional review of the work performed by the loaned personnel;</i> • <i>Not including the loaned personnel as a member of the</i> 	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	<p>staff assignment; or</p> <ul style="list-style-type: none"> Not including the loaned staff as a member of the audit team. 	<p><i>audit team; or</i></p> <ul style="list-style-type: none"> <i>Not giving the loaned personnel audit responsibility for any function or activity that the personnel performed during the loaned personnel assignment.</i> 	
Recent Service with an Audit Client			
290.141	Self-interest, self-review or familiarity threats may be created if a member of the audit team has recently served as a director, officer, or employee of the audit client. This would be the case when, for example, a member of the audit team has to evaluate elements of the financial statements for which the member of the audit team had prepared the accounting records while with the client.	525.1 Self-interest, self-review or familiarity threats might be created if a member of the audit team has recently served as a director, officer, or employee of the audit client. For example, a member of the audit team might have to evaluate elements of the financial statements when that individual prepared the relevant accounting records while with the client. Subsection 525 contains requirements and application material on applying the conceptual framework to these situations where audit team members have served with an audit client.	New introductory language.
290.142	If, during the period covered by the audit report, a member of the audit team had served as a director or officer of the audit client, or was an employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion, the threat created would be so significant that no safeguards could reduce the threat to an acceptable level. Consequently, such individuals shall not be assigned to the audit team.	<p>R525.2 The audit team shall not include an individual who, during the period covered by the audit report:</p> <p>(a) Had served as a director or officer of the audit client; or</p> <p>(b) Was an employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion.</p>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
290.143	Self-interest, self-review or familiarity threats may be created if, before the period covered by the audit report, a member of the audit team had served as a director or officer of the audit client, or was an employee in a position to exert significant influence over the preparation of the client's accounting records or financial statements on which the firm will express an opinion.	525.2 A1 Self-interest, self-review or familiarity threats might be created if, before the period covered by the audit report, a member of the audit team: (a) Had served as a director or officer of the audit client; or (b) Was an employee in a position to exert significant influence over the preparation of the client's accounting records or financial statements on which the firm will express an opinion.	
	For example, such threats would be created if a decision made or work performed by the individual in the prior period, while employed by the client, is to be evaluated in the current period as part of the current audit engagement	For example, a threat would be created if a decision made or work performed by the individual in the prior period, while employed by the client, is to be evaluated in the current period as part of the current audit engagement.	
	The existence and significance of any threats will depend on factors such as: <ul style="list-style-type: none"> • The position the individual held with the client; • The length of time since the individual left the client; and • The role of the professional on the audit team. 	525.2 A2 The existence and significance of any threats will depend on factors such as: <ul style="list-style-type: none"> • The position the individual held with the client; • The length of time since the individual left the client; and • The role of the professional on the audit team. 	
	The significance of any threat shall be evaluated and safeguards applied when necessary to		General Requirement to apply the conceptual

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	reduce the threat to an acceptable level.		framework.
	An example of such a safeguard is conducting a review of the work performed by the individual as a member of the audit team.	<i>An example of a safeguard is conducting a review of the work performed by the individual as a member of the audit team.</i>	
Serving as a Director or Officer of an Audit Client			
290.144	If a partner or employee of the firm serves as a director or officer of an audit client, the self-review and self-interest threats created would be so significant that no safeguards could reduce the threats to an acceptable level. Accordingly, no partner or employee shall serve as a director or officer of an audit client.	526.1 Self-review and self-interest threats are created if a partner or employee of the firm serves as a director or officer of an audit client. Subsection 526 contains requirements and application material on applying the conceptual framework to these situations where a partner or employee of the firm serves with an audit client.	New introductory material
		R526.2 A partner or employee of the firm shall not serve as a director or officer of an audit client of the firm.	Revised presentation of an existing requirement.
290.145	The position of Company Secretary has different implications in different jurisdictions. Duties may range from administrative duties, such as personnel management and the maintenance of company records and registers, to duties as diverse as ensuring that the company complies with regulations or providing advice on corporate governance matters. Generally, this position is seen to imply a close association with the entity.	526.3 A2 The position of Company Secretary has different implications in different jurisdictions. Duties might include: (a) Administrative duties, such as personnel management and the maintenance of company records and registers; or (b) Ensuring that the company complies with regulations or providing advice on corporate governance matters.	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
		Generally, this position is seen to imply a close association with the entity.	
290.146	If a partner or employee of the firm serves as Company Secretary for an audit client, self-review and advocacy threats are created that would generally be so significant that no safeguards could reduce the threats to an acceptable level. Despite paragraph 290.144, when this practice is specifically permitted under local law, professional rules or practice, and provided management makes all relevant decisions, the duties and activities shall be limited to those of a routine and administrative nature, such as preparing minutes and maintaining statutory returns.	R526.3 However, a partner or employee of the firm shall not fulfill duties that are normally associated with the role of Company Secretary unless: <ul style="list-style-type: none"> (a) Such practice is specifically permitted under local law, professional rules or practice; (b) Management makes all relevant decisions; (c) The duties and activities are limited to those of a routine and administrative nature, such as preparing minutes and maintaining statutory returns. 	
	In those circumstances, the significance of any threats shall be evaluated and safeguards applied when necessary to eliminate the threats or reduce them to an acceptable level.		General Requirement to apply the conceptual framework.
290.147	Performing routine administrative services to support a company secretarial function or providing advice in relation to company secretarial administration matters does not generally create threats to independence, as long as client management makes all relevant decisions.	526.3 A1 Performing routine administrative services to support a company secretarial function or providing advice in relation to company secretarial administration matters does not generally cause threats to independence, as long as client management makes all relevant decisions.	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
The Long Association provisions Sections 290.148 to 153 are not included in the extract from the extant Code as they currently under review			
<i>Provision of Non-assurance Services to an Audit Client</i>			
290.154	Firms have traditionally provided to their audit clients a range of non-assurance services that are consistent with their skills and expertise. Providing non-assurance services may, however, create threats to the independence of the firm or members of the audit team. The threats created are most often self-review, self-interest and advocacy threats.	600.1 Providing non-assurance services to audit clients might cause self-review, self-interest and advocacy threats to compliance with the fundamental principles and the independence of a professional accountant. Sections 601 to 699 contain requirements and application material on applying the conceptual framework to the provision of particular non-assurance services to audit clients. However, new developments in business, the evolution of financial markets and changes in information technology make it impossible to draw up an all-inclusive list of non-assurance services that might be provided to an audit client.	New introductory material.
290.155	New developments in business, the evolution of financial markets and changes in information technology make it impossible to draw up an all-inclusive list of non-assurance services that might be provided to an audit client. When specific guidance on a particular non-assurance service is not included in this section, the conceptual framework shall be applied when evaluating the particular circumstances.	<p>R600.2 A professional accountant shall remain independent and apply the conceptual framework contained in Section 120 and paragraph R400.7 in relation to providing non-assurance services,</p> <p>600.2 A1 In applying the conceptual framework to evaluate any threat caused by providing a non-assurance service, it is necessary for the firm to also consider any threat that the audit team has reason to believe is caused by providing other related non-assurance services.</p>	New introductory material
290.156	Before the firm accepts an engagement to provide a non-assurance service to an audit		Text included in the requirement to comply

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
<p>client, a determination shall be made as to whether providing such a service would create a threat to independence. In evaluating the significance of any threat created by a particular non-assurance service, consideration shall be given to any threat that the audit team has reason to believe is created by providing other related non-assurance services. If a threat is created that cannot be reduced to an acceptable level by the application of safeguards, the non-assurance service shall not be provided.</p>		<p>the conceptual framework.</p>
<p>290.157</p> <p>A firm may provide non-assurance services that would otherwise be restricted under this section to the following related entities of the audit client:</p> <ul style="list-style-type: none"> • An entity, which is not an audit client, that has direct or indirect control over the audit client; • An entity, which is not an audit client, with a direct financial interest in the client if that entity has significant influence over the client and the interest in the client is material to such entity; or • An entity, which is not an audit client, that is under common control with the audit client, <p>if it is reasonable to conclude that (a) the services do not create a self-review threat because the results of the services will not be subject to audit</p>	<p>R600.3 A firm or network firm may provide non-assurance services to certain related entities of an audit client that would otherwise be restricted under Sections 601 to 699 to the following related entities of the audit client:</p> <p>(a) An entity, which is not an audit client, that has direct or indirect control over the audit client;</p> <p>(b) An entity, which is not an audit client, that has a direct financial interest in the client if that entity has significant influence over the client and the interest in the client is material to such entity; or</p> <p>(c) An entity, which is not an audit client, that is under common control with the audit client,</p> <p>if it is reasonable to conclude that the services do not cause a self-review threat because the results of the services will not be subject to audit procedures; and the firm or network firm applies safeguards to eliminate or reduce any threats</p>	<p>Network firm now explicitly stated for clarity.</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	procedures and (b) any threats that are created by the provision of such services are eliminated or reduced to an acceptable level by the application of safeguards.	that are caused to an acceptable level; and	
290.158	<p>A non-assurance service provided to an audit client does not compromise the firm's independence when the client becomes a public interest entity if:</p> <p>The previous non-assurance service complies with the provisions of this section that relate to audit clients that are not public interest entities;</p> <p>Services that are not permitted under this section for audit clients that are public interest entities are terminated before or as soon as practicable after the client becomes a public interest entity; and</p> <p>The firm applies safeguards when necessary to eliminate or reduce to an acceptable level any threats to independence arising from the service.</p>	<p>R600.4 If a firm or network firm provides a non-assurance service to an audit client that later becomes a public interest entity, the independence of the firm or network firm is not compromised if:</p> <p>(a) The previous non-assurance service complies with the provisions of Sections 601 to 699 that relate to audit clients that are not public interest entities;</p> <p>(b) Services that are not permitted under Sections 601 to 699 for audit clients that are public interest entities are terminated before, or as soon as practicable after, the client becomes a public interest entity; and</p> <p>(c) The firm applies safeguards to eliminate or reduce any threats that are caused to an acceptable level.</p>	
Management Responsibilities			
290.159	Management responsibilities involve controlling, leading and directing an entity, including making decisions regarding the acquisition, deployment and control of human, financial, technological, physical and intangible resources.	601.3 A1 Management responsibilities involve controlling, leading and directing an entity, including making decisions regarding the acquisition, deployment and control of human, financial, technological, physical and intangible resources.	New Non-assurance Services (NAS) material effective after 15 April 2016.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
290.160	<p>Determining whether an activity is a management responsibility depends on the circumstances and requires the exercise of judgment. Examples of activities that would be considered a management responsibility include:</p> <ul style="list-style-type: none"> • Setting policies and strategic direction. • Hiring or dismissing employees. • Directing and taking responsibility for the actions of employees in relation to the employees work for the entity. • Authorizing transactions • Controlling or managing of bank accounts or investments. • Deciding which recommendations of the firm or other third parties to implement. • Reporting to those charged with governance on behalf of management. • Taking responsibility for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework; and <p>Taking responsibility for designing, implementing, monitoring and maintaining internal control.</p>	<p>601.3 A2 Determining whether an activity is a management responsibility depends on the circumstances and requires the exercise of judgment. Examples of activities that would be considered a management responsibility include:</p> <ul style="list-style-type: none"> • Setting policies and strategic direction. • Hiring or dismissing employees. • Directing and taking responsibility for the actions of employees in relation to the employees' work for the entity. • Authorizing transactions • Controlling or managing of bank accounts or investments. • Deciding which recommendations of the firm or other third parties to implement. • Reporting to those charged with governance on behalf of management. • Taking responsibility: • For the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework; and • For designing, implementing, monitoring and maintaining internal control. <p>However, providing advice and recommendations to assist</p>	<p>New (NAS) material effective after 15 April 2016.</p> <p>Underlined text is derived from extant Code 290.161</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
		<u>management in discharging its responsibilities is not assuming a management responsibility.</u>	
290.161	A firm shall not assume a management responsibility for an audit client. The threats created would be so significant that no safeguards could reduce the threats to an acceptable level. For example, deciding which recommendations of the firm to implement will create self-review and self-interest threats. Further, assuming a management responsibility creates a familiarity threat because the firm becomes too closely aligned with the views and interests of management. Subject to compliance with paragraph 290.162, providing advice and recommendations to assist management in discharging its responsibilities is not assuming a management responsibility.	R601.2 A firm or network firm shall not assume a management responsibility for an audit client.	New (NAS) material effective after 15 April 2016. Network firm now explicitly stated for clarity.
		601.1 Providing a non-assurance service to an audit client might cause self-review and self-interest threats if the firm assumes a management responsibility. An example might be deciding which recommendations of the firm to implement. Assuming a management responsibility also causes a familiarity threat because the firm becomes too closely aligned with the views and interests of management. Subsection 601 contains requirements and application material on applying the conceptual framework to providing non-assurance services that might result in the firm assuming	Introduction paragraph. New (NAS) material effective after 15 April 2016.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
		a management responsibility for an audit client.	
290.162	<p>To avoid the risk of assuming a management responsibility when providing non-assurance services to an audit client, the firm shall be satisfied that client management makes all judgments and decisions that are the responsibility of management. This includes ensuring that the client's management:</p> <p>Designates an individual who possesses suitable skill, knowledge and experience to be responsible at all times for the client's decisions and to oversee the services. Such an individual, preferably within senior management, would understand the objectives, nature and results of the services; and the respective client and firm responsibilities. However, the individual is not required to possess the expertise to perform or re-perform the services;</p> <p>Provides oversight of the services and evaluates the adequacy of the results of the service performed for the client's purpose; and</p> <p>Accepts responsibility for the actions, if any, to be taken arising from the results of the services.</p>	<p>R601.3 When providing non-assurance services to an audit client, the firm shall be satisfied that client management makes all judgments and decisions that are the proper responsibility of management. This includes ensuring that the client's management:</p> <p>(a) Designates an individual who possesses suitable skill, knowledge and experience to be responsible at all times for the client's decisions and to oversee the services. Such an individual, preferably within senior management, would understand:</p> <p>(i) The objectives, nature and results of the services; and</p> <p>(ii) The respective client and firm responsibilities.</p> <p>However, the individual is not required to possess the expertise to perform or re-perform the services.</p> <p>(b) Provides oversight of the services and evaluates the adequacy of the results of the service performed for the client's purpose; and</p> <p>Accepts responsibility for the actions, if any, to be taken arising from the results of the services.</p>	New (NAS) material effective after 15 April 2016.
290.163	Administrative services involve assisting clients with their routine or mechanical tasks within the normal course of operations. Such services	602.2 A1 Assisting clients with their routine or mechanical tasks within the normal course of operations requires little or no professional judgment and involves	New (NAS) material effective after 15 April 2016.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
<p>require little to no professional judgment and are clerical in nature. Examples of administrative services include word processing services, preparing administrative or statutory forms for client approval, submitting such forms as instructed by the client, monitoring statutory filing dates, and advising an audit client of those dates.</p> <p>Providing such services does not generally create a threat to independence.</p> <p>However, the significance of any threat created shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an acceptable level.</p>	<p>services that are clerical in nature. Examples of administrative services include:</p> <p>(a) Word processing services;</p> <p>(b) Preparing administrative or statutory forms for client approval;</p> <p>(c) Submitting such forms as instructed by the client;</p> <p>(d) Monitoring statutory filing dates, and advising an audit client of those dates.</p> <p>Such services do not, generally, cause threats to independence provided the firm does not assume a management responsibility for the client.</p>	
Preparing Accounting Records and Financial Statements		
290.164	<p>Management is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework. These responsibilities include:</p> <ul style="list-style-type: none"> • Determining accounting policies and the accounting treatment within those policies. • Preparing or changing source documents or originating data, in electronic or other form, evidencing the occurrence of a transaction. (for example, purchase orders; payroll time <p>603.2 A1 Management is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework. These responsibilities include:</p> <ul style="list-style-type: none"> • Determining accounting policies and the accounting treatment within those policies. • Preparing or changing source documents or originating data, in electronic or other form, evidencing the occurrence of a transaction. Examples include: <ul style="list-style-type: none"> (i) Purchase orders; 	New (NAS) material effective after 15 April 2016.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	<p>records; and customer orders</p> <p>Originating or changing journal entries, or determining the account classifications of transactions; and ...</p>	<p>(ii) Payroll time records; and</p> <p>(iii) Customer orders.</p> <p>Originating or changing journal entries, or determining the account classifications of transactions.</p>	
290.165	<p>Providing an audit client with accounting and bookkeeping services, such as preparing accounting records or financial statements, creates a self-review threat when the firm subsequently audits the financial statements.</p>	<p>603.1 Providing an audit client with accounting and bookkeeping services, such as preparing accounting records or financial statements, causes a self-review threat when the firm subsequently audits the financial statements. Subsection 602 contains requirements and application material on applying the conceptual framework to preparing accounting records or financial statements for an audit client.</p>	<p>New (NAS) material effective after 15 April 2016.</p> <p>New introductory material.</p>
290.166	<p>The audit process, however, necessitates dialogue between the firm and management of the audit client, which may involve:</p> <ul style="list-style-type: none"> • The application of accounting standards or policies and financial statement disclosure requirements; • The appropriateness of financial and accounting control and the methods used in determining the stated amounts of assets and liabilities; or • Proposing adjusting journal entries; <p>These activities are considered to be a normal part of the audit process and do not, generally, create threats to independence so long as the</p>	<p>603.2 A2 The audit process, however, necessitates dialogue between the firm and management of the audit client, which might involve:</p> <ul style="list-style-type: none"> • Applying accounting standards or policies and financial statement disclosure requirements; • Assessing the appropriateness of financial and accounting control and the methods used in determining the stated amounts of assets and liabilities; or • Proposing adjusting journal entries; <p>These activities are considered to be a normal part of the audit process and do not, generally, cause threats to independence so long as the client is responsible for making decisions in the preparation of accounting records and</p>	<p>New (NAS) material effective after 15 April 2016.</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	client is responsible for making decisions in the preparation of accounting records and financial statements.	financial statements.	
290.167	Similarly, the client may request technical assistance from the firm on matters such as resolving account reconciliation problems or analyzing and accumulating information for regulatory reporting. In addition, the client may request technical advice on accounting issues such as the conversion of existing financial statements from one financial reporting framework to another (for example, to comply with group accounting policies or to transition to a different financial reporting framework such as International Financial Reporting Standards). Such services do not, generally, create threats to independence provided the firm does not assume a management responsibility for the client.	<p>602.2 A3 Similarly, the client might request technical assistance from the firm on matters such as resolving account reconciliation problems or analyzing and accumulating information for regulatory reporting. In addition, the client might request technical advice on accounting issues such as the conversion of existing financial statements from one financial reporting framework to another. Examples include:</p> <p>(a) Complying with group accounting policies: or</p> <p>(b) Transitioning to a different financial reporting framework such as International Financial Reporting Standards.</p> <p>Such services do not, generally, cause threats to independence provided the firm does not assume a management responsibility for the client.</p>	New (NAS) material effective after 15 April 2016.
Audit clients that are not public interest entities			
290.168	The firm may provide services related to the preparation of accounting records and financial statements to an audit client that is not a public interest entity where the services are of a routine or mechanical nature, so long as any self-review threat created is reduced to an acceptable level.	<p>R603.3 A firm or network firm shall not provide to an audit client that is not a public interest entity services related to preparing accounting records and financial statements unless:</p> <p>(a) The services are of a routine or mechanical nature; and</p> <p>(b) Any self-review threat caused is reduced to an</p>	<p>New (NAS) material effective after 15 April 2016.</p> <p>Network firm now explicitly stated for clarity.</p>

VERSION 4 Tranches I and II August 25, 2015

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
		acceptable level.	
	<p>Services that are routine or mechanical nature require little or no professional judgment from the professional accountant. Some examples of such services are:</p> <ul style="list-style-type: none"> • Preparing payroll calculations or reports based on client-originated data for approval and payment by the client; • Recording recurring transactions for which amounts are easily determinable from source documents or originating data, such as a utility bill where the client has determined or approved the appropriate account classification; • Calculating depreciation on fixed assets when the client determines the accounting policy and estimates of useful life and residual values. • Posting transactions coded by the client to the general ledger; • Posting client-approved entries to the trial balance; and • Preparing financial statements based on information in the client-approved trial balance and preparing related notes based 	<p>603.3 A1 Services that are routine or mechanical in nature require little or no professional judgment from the professional accountant. Some examples of these services are:</p> <ul style="list-style-type: none"> • Preparing payroll calculations or reports based on client-originated data for approval and payment by the client; • Recording recurring transactions for which amounts are easily determinable from source documents or originating data, such as a utility bill where the client has determined or approved the appropriate account classification; • Calculating depreciation on fixed assets when the client determines the accounting policy and estimates of useful life and residual values. • Posting transactions coded by the client to the general ledger; • Posting client-approved entries to the trial balance; and • Preparing financial statements based on information in the client-approved trial balance and preparing related notes based on client-approved records. <p>Examples of safeguards include:</p> <ul style="list-style-type: none"> • Arranging for such services to be performed by an individual who is not a member of the audit team; or 	<p>Underlined text included in the requirement to comply the conceptual framework in R602.2.</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	<p>on client-approved records.</p> <p><u>In all cases, the significance of any threat created shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an acceptable level.</u> Examples of such safeguards include:</p> <ul style="list-style-type: none"> • Arranging for such services to be performed by an individual who is not a member of the audit team; or <p>If such services are performed by a member of the audit team, using a partner or senior staff member with appropriate expertise who is not a member of the audit team to review the work performed.</p>	<p>If such services are performed by a member of the audit team, using a partner or senior personnel with appropriate expertise who is not a member of the audit team to review the work performed.</p>	
Audit clients that are public interest entities			
290.169	<p>A firm shall not provide to an audit client that is a public interest entity accounting and bookkeeping services, including payroll services, or prepare financial statements on which the firm will express an opinion or financial information which forms the basis of the financial statements.</p>	<p>R603.4 A firm or network firm shall not provide to an audit client that is a public interest entity accounting and bookkeeping services, including payroll services, or prepare financial statements on which the firm will express an opinion or financial information which forms the basis of the financial statements.</p>	<p>New (NAS) material effective after 15 April 2016.</p> <p>Network firm now explicitly stated for clarity.</p>
290.170	<p>Despite paragraph 290.169, a firm may provide accounting and bookkeeping services, including payroll services and the preparation of financial statements or other financial information, of a routine or mechanical nature for divisions or</p>	<p>R603.5 As an exception to paragraph R603.4, a firm may provide accounting and bookkeeping services, including payroll services and the preparation of financial statements or other financial information, of a routine or mechanical nature for divisions or related entities of an audit client that is</p>	<p>New (NAS) material effective after 15 April 2016.</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	<p>related entities of an audit client that is a public interest entity if the personnel providing the services are not members of the audit team and:</p> <p>(a) The divisions or related entities for which the service is provided are collectively immaterial to the financial statements on which the firm will express an opinion; or</p> <p>(b) The services relate to matters that are collectively immaterial to the financial statements of the division or related entity.</p>	<p>a public interest entity if the personnel providing the services are not members of the audit team and:</p> <p>(a) The divisions or related entities for which the service is provided are collectively immaterial to the financial statements on which the firm will express an opinion; or</p> <p>(b) The services relate to matters that are collectively immaterial to the financial statements of the division or related entity.</p>	
Valuation Services			
290.172	A valuation comprises the making of assumptions with regard to future developments, the application of appropriate methodologies and techniques, and the combination of both to compute a certain value, or range of values, for an asset, a liability or for a business as a whole.	604.2 A valuation comprises the making of assumptions with regard to future developments, the application of appropriate methodologies and techniques, and the combination of both to compute a certain value, or range of values, for an asset, a liability or for a business as a whole.	
290.173	Performing valuation services for an audit client may create a self-review threat.	604.1 Providing valuation services to an audit client might cause a self-review threat. Subsection 604 contains requirements and application material on applying the conceptual framework to providing valuation services to an audit client.	
	The existence and significance of any threat will depend on factors such as:	604.3 A2 The existence and significance of any threat caused when a professional accountant performs a valuation	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
<ul style="list-style-type: none"> Whether the valuation will have a material effect on the financial statements. The extent of the client's involvement in determining and approving the valuation methodology and other significant matters of judgment. The availability of established methodologies and professional guidelines. For valuations involving standard or established methodologies, the degree of subjectivity inherent in the item. The reliability and extent of the underlying data. The degree of dependence on future events of a nature that could create significant volatility inherent in the amounts involved. <p>The extent and clarity of the disclosures in the financial statements.</p>	<p>service for an audit client depends on factors such as:</p> <ul style="list-style-type: none"> Whether the valuation will have a material effect on the financial statements. The extent of the client's involvement in determining and approving the valuation methodology and other significant matters of judgment. The availability of established methodologies and professional guidelines. The degree of subjectivity inherent in the item for valuations involving standard or established methodologies. The reliability and extent of the underlying data. The degree of dependence on future events of a nature that could create significant volatility inherent in the amounts involved. <p>The extent and clarity of the disclosures in the financial statements.</p>	
<p>The significance of any threat created shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an acceptable level.</p>		<p>General requirement to apply the conceptual framework.</p>
	<p>604.3 A2 The existence and significance of any threat</p>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	<p>Examples of such safeguards include:</p> <ul style="list-style-type: none"> Having a professional who was not involved in providing the valuation service review the audit or valuation work performed; or <p>Making arrangements so that personnel providing such services do not participate in the audit engagement.</p>	<p>depends on ...</p> <p>Examples of safeguards include:</p> <ul style="list-style-type: none"> Having a professional who was not involved in providing the valuation service review the audit or valuation work performed; or <p>Making arrangements so that personnel providing such services do not participate in the audit engagement.</p>	
290.174	<p>Certain valuations do not involve a significant degree of subjectivity. This is likely the case where the underlying assumptions are either established by law or regulation, or are widely accepted and when the techniques and methodologies to be used are based on generally accepted standards or prescribed by law or regulation. In such circumstances, the results of a valuation performed by two or more parties are not likely to be materially different.</p>	<p>604.3 A3 Certain valuations do not involve a significant degree of subjectivity. This is likely to be the case where the underlying assumptions are either established by law or regulation, or are widely accepted and when the techniques and methodologies to be used are based on generally accepted standards or prescribed by law or regulation. In such circumstances, the results of a valuation performed by two or more parties are not likely to be materially different.</p>	
290.175	<p>If a firm is requested to perform a valuation to assist an audit client with its tax reporting obligations or for tax planning purposes and the results of the valuation will not have a direct effect on the financial statements, the provisions included in paragraph 290.188 apply.</p>	<p>604.3 A4 If a firm or network firm is requested to perform a valuation to assist an audit client with its tax reporting obligations or for tax planning purposes and the results of the valuation will not have a direct effect on the financial statements, the provisions contained in paragraph R605.8 relating to such services apply.</p>	<p>Network firm now explicitly stated for clarity.</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
<i>Audit clients that are not public interest entities</i>			
290.176	In the case of an audit client that is not a public interest entity, if the valuation service has a material effect on the financial statements on which the firm will express an opinion and the valuation involves a significant degree of subjectivity, no safeguards could reduce the self-review threat to an acceptable level. Accordingly a firm shall not provide such a valuation service to an audit client.	<p>R604.4 A firm or network firm shall not provide a valuation service to an audit client that not a public interest entity if:</p> <p>(a) The valuation service has a material effect on the financial statements on which the firm will express an opinion; and</p> <p>(b) The valuation involves a significant degree of subjectivity.</p>	Network firm now explicitly stated for clarity.
<i>Audit clients that are public interest entities</i>			
290.177	A firm shall not provide valuation services to an audit client that is a public interest entity if the valuations would have a material effect, separately or in the aggregate, on the financial statements on which the firm will express an opinion.	<p>R604.5 A firm or a network firm shall not provide valuation services to an audit client that is a public interest entity if the valuation services would have a material effect, separately or in the aggregate, on the financial statements on which the firm will express an opinion.</p>	Network firm now explicitly stated for clarity.
<i>Taxation Services</i>			
290.178	<p>Taxation services comprise a broad range of services, including:</p> <ul style="list-style-type: none"> • Tax return preparation; • Tax calculations for the purpose of preparing the accounting entries; 	<p>605.2 Taxation services comprise a broad range of services, including:</p> <ul style="list-style-type: none"> • Tax return preparation; • Tax calculations for the purpose of preparing the accounting entries; 	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
<ul style="list-style-type: none"> • Tax planning and other tax advisory services; and • Assistance in the resolution of tax disputes. <p>While taxation services provided by a firm to an audit client are addressed separately under each of these broad headings; in practice, these activities are often interrelated.</p>	<ul style="list-style-type: none"> • Tax planning and other tax advisory services; and • Assistance in the resolution of tax disputes. <p>While taxation services provided by a firm to an audit client are addressed separately under each of these broad headings, in practice, these activities are often interrelated.</p>	
<p>290.179</p> <p>Performing certain tax services creates self-review and advocacy threats.</p>	<p>605.1 Providing taxation services to an audit client might cause a self-review or advocacy threat. Subsection 605 contains requirements and application material on applying the conceptual framework to providing taxation services to an audit client.</p>	<p>New introductory material.</p>
<p>The existence and significance of any threats will depend on factors such as:</p> <ul style="list-style-type: none"> • The system by which the tax authorities assess and administer the tax in question and the role of the firm in that process; • The complexity of the relevant tax regime and the degree of judgment necessary in applying it; • The particular characteristics of the engagement; and <p>The level of tax expertise of the client's employees.</p>	<p>605.3 A2 The existence and significance of any threats caused when performing certain taxation services will depend on factors such as:</p> <ul style="list-style-type: none"> • The system by which the tax authorities assess and administer the tax in question and the role of the firm in that process; • The complexity of the relevant tax regime and the degree of judgment necessary in applying it; • The particular characteristics of the engagement; and <p>The level of tax expertise of the client's employees.</p>	

Mapping Table – Draft Restructured Code Tranches I and II
 IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
<i>Tax Return Preparation</i>		
290.180	<p>Tax return preparation services involve assisting clients with their tax reporting obligations by drafting and completing information, including the amount of tax due (usually on standardized forms) required to be submitted to the applicable tax authorities. Such services also include advising on the tax return treatment of past transactions and responding on behalf of the audit client to the tax authorities' requests for additional information and analysis (including providing explanations of and technical support for the approach being taken). Tax return preparation services are generally based on historical information and principally involve analysis and presentation of such historical information under existing tax law, including precedents and established practice. Further, the tax returns are subject to whatever review or approval process the tax authority deems appropriate. Accordingly, providing such services does not generally create a threat to independence if management takes responsibility for the returns including any significant judgments made.</p>	<p>605.4 A1 Tax return preparation services involve assisting clients with their tax reporting obligations by drafting and completing information, including the amount of tax due (usually on standardized forms) required to be submitted to the applicable tax authorities. Such services also include advising on the tax return treatment of past transactions and responding on behalf of the audit client to the tax authorities' requests for additional information and analysis. (For example including providing explanations of and technical support for the approach being taken). Tax return preparation services are generally based on historical information and principally involve analysis and presentation of such historical information under existing tax law, including precedents and established practice. Further, the tax returns are subject to whatever review or approval process the tax authority considers appropriate. Accordingly, providing such services does not generally create a threat to independence if management takes responsibility for the returns including any significant judgments made.</p>
<i>Tax Calculations for the Purpose of Preparing Accounting Entries</i>		

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
Audit clients that are not public interest entities		
280.181	<p>Preparing calculations of current and deferred tax liabilities (or assets) for an audit client for the purpose of preparing accounting entries that will be subsequently audited by the firm creates a self-review threat.</p>	<p>605.5 A1 Preparing calculations of current and deferred tax liabilities (or assets) for an audit client for the purpose of preparing accounting entries that will be subsequently audited by the firm causes a self-review threat.</p>
	<p>The significance of the threat will depend on:</p> <ul style="list-style-type: none"> • The complexity of the relevant tax law and regulation and the degree of judgment necessary in applying them; • The level of tax expertise of the client's personnel; and • The materiality of the amounts to the financial statements. 	<p>605.5 A2 The significance of any threat will depend on:</p> <ul style="list-style-type: none"> • The complexity of the relevant tax law and regulation and the degree of judgment necessary in applying them; • The level of tax expertise of the client's personnel; and • The materiality of the amounts to the financial statements.
	<p>Safeguards shall be applied when necessary to eliminate the threat or reduce it to an acceptable level. Examples of such safeguards include:</p> <ul style="list-style-type: none"> • Using professionals who are not members of the audit team to perform the service; • If the service is performed by a member of the audit team, using a partner or senior staff member with appropriate expertise who is not a member of the audit team to review the 	<p>Examples of safeguards include:</p> <ul style="list-style-type: none"> • Using professionals who are not members of the audit team to perform the service; • If the service is performed by a member of the audit team, using a partner or senior personnel with appropriate expertise who is not a member of the audit team to review the tax calculations; or <p>Obtaining advice on the service from an external tax professional.</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	tax calculations; or Obtaining advice on the service from an external tax professional		
Audit clients that are public interest entities			
290.182	In the case of an audit client that is a public interest entity, a firm shall not prepare tax calculations of current and deferred tax liabilities (or assets) for the purpose of preparing accounting entries that are material to the financial statements on which the firm will express an opinion.	R605.6 A firm or network firm shall not prepare tax calculations of current and deferred tax liabilities (or assets) for an audit client that is a public interest entity for the purpose of preparing accounting entries that are material to the financial statements on which the firm will express an opinion.	Network firm now explicitly stated for clarity.
Tax Planning and Other Tax Advisory Services			
290.184	Tax planning or other tax advisory services comprise a broad range of services, such as advising the client how to structure its affairs in a tax efficient manner or advising on the application of a new tax law or regulation.	605.7 A1 Tax planning or other tax advisory services comprise a broad range of services, such as advising the client how to structure its affairs in a tax efficient manner or advising on the application of a new tax law or regulation.	
290.185	A self-review threat may be created where the advice will affect matters to be reflected in the financial statements. The existence and significance of any threat will depend on factors such as: <ul style="list-style-type: none"> The degree of subjectivity involved in determining the appropriate treatment for the 	605.7 A2 A self-review threat might be caused where the advice will affect matters to be reflected in the financial statements. The existence and significance of any threat will depend on factors such as: <ul style="list-style-type: none"> The degree of subjectivity involved in determining the appropriate treatment for the tax advice in the financial 	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
<p>tax advice in the financial statements;</p> <ul style="list-style-type: none"> • The extent to which the outcome of the tax advice will have a material effect on the financial statements; • Whether the effectiveness of the tax advice depends on the accounting treatment or presentation in the financial statements and there is doubt as to the appropriateness of the accounting treatment or presentation under the relevant financial reporting framework; • The level of tax expertise of the client's employees; • The extent to which the advice is supported by tax law or regulation, other precedent or established practice; and • Whether the tax treatment is supported by a private ruling or has otherwise been cleared by the tax authority before the preparation of the financial statements. <p>For example, providing tax planning and other tax advisory services where the advice is clearly supported by tax authority or other precedent, by established practice or has a basis in tax law that is likely to prevail does not generally create a threat to independence.</p>	<p>statements;</p> <ul style="list-style-type: none"> • The extent to which the outcome of the tax advice will have a material effect on the financial statements; • Whether the effectiveness of the tax advice depends on the accounting treatment or presentation in the financial statements and there is doubt as to the appropriateness of the accounting treatment or presentation under the relevant financial reporting framework; • The level of tax expertise of the client's employees; • The extent to which the advice is supported by tax law or regulation, other precedent or established practice; and • Whether the tax treatment is supported by a private ruling or has otherwise been cleared by the tax authority before the preparation of the financial statements. <p>For example, providing tax planning and other tax advisory services where the advice is clearly supported by tax authority or other precedent, established practice, or has a basis in tax law that is likely to prevail does not generally cause a threat to independence.</p>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
<p>290.186</p> <p>The significance of any threat shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an acceptable level.</p>		<p>Text included in the requirement to comply the conceptual framework.</p>
<p>Examples of such safeguards include:</p> <ul style="list-style-type: none"> Using professionals who are not members of the audit team to perform the service; Having a tax professional, who was not involved in providing the tax service, advise the audit team on the service and review the financial statement treatment; Obtaining advice on the service from an external tax professional; or <p>Obtaining pre-clearance or advice from the tax authorities.</p>	<p>605.7 A3 Examples of safeguards include:</p> <ul style="list-style-type: none"> Using professionals who are not members of the audit team to perform the service; Having a tax professional, who was not involved in providing the tax service, advise the audit team on the service and review the financial statement treatment; Obtaining advice on the service from an external tax professional; or <p>Obtaining pre-clearance or advice from the tax authorities.</p>	
<p>290.187</p> <p>Where the effectiveness of the tax advice depends on a particular accounting treatment or presentation in the financial statements and:</p> <ul style="list-style-type: none"> The audit team has reasonable doubt as to the appropriateness of the related accounting treatment or presentation under the relevant financial reporting framework; and The outcome or consequences of the tax 	<p>R605.7 A firm or network firm shall not provide taxation advisory services to an audit client where the effectiveness of the tax advice depends on a particular accounting treatment or presentation in the financial statements and:</p> <p>(a) The audit team has reasonable doubt as to the appropriateness of the related accounting treatment or presentation under the relevant financial reporting framework; and</p>	<p>Network firm now explicitly stated for clarity.</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	<p>advice will have a material effect on the financial statements on which the firm will express an opinion;</p> <p>The self-review threat would be so significant that no safeguards could reduce the threat to an acceptable level. Accordingly, a firm shall not provide such tax advice to an audit client.</p>	<p>(b) The outcome or consequences of the tax advice will have a material effect on the financial statements on which the firm will express an opinion.</p>	
290.188	<p>In providing tax services to an audit client, a firm may be requested to perform a valuation to assist the client with its tax reporting obligations or for tax planning purposes. Where the result of the valuation will have a direct effect on the financial statements, the provisions included in paragraphs 290.172 to 290.177 relating to valuation services are applicable.</p>	<p>605.8 A1 If a firm or network firm performs a valuation to assist an audit client with its tax reporting obligations or for tax planning purposes where the result of the valuation will have a direct effect on the financial statements, the provisions contained in Subsection 604 relating to valuation services apply.</p>	<p>Network firm now explicitly stated for clarity.</p>
	<p>Where the valuation is performed for tax purposes only and the result of the valuation will not have a direct effect on the financial statements (that is, the financial statements are only affected through accounting entries related to tax), this would not generally create threats to independence if such effect on the financial statements is immaterial or if the valuation is subject to external review by a tax authority or similar regulatory authority.</p>	<p>605.8 A2 A valuation might be performed for tax purposes only where the result of the valuation will not have a direct effect on the financial statements (that is, the financial statements are only affected through accounting entries related to tax). This would not generally cause threats to independence if the effect on the financial statements is immaterial or the valuation is subject to external review by a tax authority or similar regulatory authority.</p>	<p>Network firm now explicitly stated for clarity.</p>
	<p>If the valuation is not subject to such an external</p>	<p>605.8 A3 If the valuation is not subject to such an</p>	<p>Underlined text</p>

VERSION 4 Tranches I and II August 25, 2015

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
<p>review and the effect is material to the financial statements, the existence and significance of any threat created will depend upon factors such as:</p> <ul style="list-style-type: none"> • The extent to which the valuation methodology is supported by tax law or regulation, other precedent or established practice and the degree of subjectivity inherent in the valuation. • The reliability and extent of the underlying data. <p><u>The significance of any threat created shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an acceptable level.</u> Examples of such safeguards include:</p> <ul style="list-style-type: none"> • Using professionals who are not members of the audit team to perform the service; • Having a professional review the audit work or the result of the tax service; or <p>Obtaining pre-clearance or advice from the tax authorities.</p>	<p>external review and the effect is material to the financial statements, the existence and significance of any threat caused will depend upon factors such as:</p> <ul style="list-style-type: none"> • The extent to which the valuation methodology is supported by tax law or regulation, other precedent or established practice; • The degree of subjectivity inherent in the valuation; and • The reliability and extent of the underlying data. <p>Examples of safeguards include:</p> <ul style="list-style-type: none"> • Using professionals who are not members of the audit team to perform the service; • Having a professional review the audit work or the result of the tax service; or <p>Obtaining pre-clearance or advice from the tax authorities.</p>	<p>included in the requirement to comply the conceptual framework.</p>
Assistance in the Resolution of Tax Disputes		
290.189	<p>An advocacy or self-review threat may be created when the firm represents an audit client in the resolution of a tax dispute once the tax</p>	<p>605.9 A3 A tax dispute arises when the tax authorities have notified an audit client that arguments on a particular issue have been rejected and either the tax authority or the</p> <p>Network firm now explicitly stated for clarity.</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
<p>authorities have notified the client that they have rejected the client's arguments on a particular issue and either the tax authority or the client is referring the matter for determination in a formal proceeding, for example before a tribunal or court.</p> <p>The existence and significance of any threat will depend on factors such as:</p> <ul style="list-style-type: none"> • Whether the firm has provided the advice which is the subject of the tax dispute; • The extent to which the outcome of the dispute will have a material effect on the financial statements on which the firm will express an opinion; • The extent to which the matter is supported by tax law or regulation, other precedent, or established practice; • Whether the proceedings are conducted in public; and • The role management plays in the resolution of the dispute. <p><u>The significance of any threat created shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an acceptable level.</u> Examples of such safeguards include:</p>	<p>client refers the matter for determination in a formal proceeding, for example before a tribunal or court. An advocacy or self-review threat might be caused when the firm or a network firm represents an audit client in the resolution of such a tax dispute.</p> <p>The existence and significance of any threat will depend on factors such as:</p> <ul style="list-style-type: none"> • Whether the firm has provided the advice which is the subject of the tax dispute; • The extent to which the outcome of the dispute will have a material effect on the financial statements on which the firm will express an opinion; • The extent to which the matter is supported by tax law or regulation, other precedent, or established practice; • Whether the proceedings are conducted in public; and • The role management plays in the resolution of the dispute. <p>Examples of safeguards include:</p> <ul style="list-style-type: none"> • Using professionals who are not members of the audit team to perform the service; • Having a tax professional, who was not involved in providing the tax service, advise the audit team on the services and review the financial statement treatment; or <p>Obtaining advice on the service from an external tax</p>	<p>Underlined text included in the requirement to comply the conceptual framework in R604.3.</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
<ul style="list-style-type: none"> Using professionals who are not members of the audit team to perform the service; Having a tax professional, who was not involved in providing the tax service, advise the audit team on the services and review the financial statement treatment; or <p>Obtaining advice on the service from an external tax professional.</p>	<p>professional.</p>	
<p>290.190</p> <p>Where the taxation services involve acting as an advocate for an audit client before a public tribunal or court in the resolution of a tax matter and the amounts involved are material to the financial statements on which the firm will express an opinion, the advocacy threat created would be so significant that no safeguards could eliminate or reduce the threat to an acceptable level. Therefore, the firm shall not perform this type of service for an audit client.</p>	<p>R605.9 A firm or network firm shall not provide taxation services to an audit client if:</p> <p>(a) The taxation services involve acting as an advocate for the audit client before a public tribunal or court in the resolution of a tax matter; and</p> <p>(b) The amounts involved are material to the financial statements on which the firm will express an opinion.</p>	<p>Network firm now explicitly stated for clarity.</p>
<p>What constitutes a “public tribunal or court” shall be determined according to how tax proceedings are heard in the particular jurisdiction.</p>	<p>605.9 A2 What constitutes a “public tribunal or court” depends on how tax proceedings are heard in the particular jurisdiction.</p>	
<p>290.191</p> <p>The firm is not, however, precluded from having a continuing advisory role (for example, responding to specific requests for information, providing factual accounts or testimony about the work performed or assisting the client in</p>	<p>604.9 A1 Paragraph R605.9 does not preclude a firm or network firm from having a continuing advisory role. For example:</p> <p>(a) Responding to specific requests for information;</p>	<p>Network firm now explicitly stated for clarity.</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	analyzing the tax issues) for the audit client in relation to the matter that is being heard before a public tribunal or court.	<p>(b) Providing factual accounts or testimony about the work performed; or</p> <p>(c) Assisting the client in analyzing the tax issues) for the audit client in relation to the matter that is being heard before a public tribunal or court.</p>	
Internal Audit Services			
290.192	<p>The scope and objectives of internal audit activities vary widely and depend on the size and structure of the entity and the requirements of management and those charged with governance. Internal audit activities may include:</p> <ul style="list-style-type: none"> • Monitoring of internal control – reviewing controls, monitoring their operation and recommending improvements thereto; • Examination of financial and operating information – reviewing the means used to identify, measure, classify and report financial and operating information, and specific inquiry into individual items including detailed testing of transactions, balances and procedures; • Review of the economy, efficiency and effectiveness of operating activities including non-financial activities of an entity; and • Review of compliance with laws, regulations 	<p>606.2 A1 Internal audit services involve assisting the audit client in the performance of its internal audit activities. The scope and objectives of internal audit activities vary widely and depend on the size and structure of the entity and the requirements of management and those charged with governance. Internal audit activities might include:</p> <ul style="list-style-type: none"> • Monitoring of internal control – reviewing controls, monitoring their operation and recommending improvements to them; • Examining financial and operating information by: <ul style="list-style-type: none"> ○ Reviewing the means used to identify, measure, classify and report financial and operating information; and ○ Inquiring specifically into individual items including detailed testing of transactions, balances and procedures; • Reviewing the economy, efficiency and effectiveness of operating activities including non-financial activities of an 	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
	<p>entity; and</p> <ul style="list-style-type: none"> • Reviewing compliance with: <ul style="list-style-type: none"> ○ Laws, regulations and other external requirements, and ○ Management policies and directives and other internal requirements. 	
290.193	<p>606.1 Providing internal audit services for an audit client might cause a self-review threat. Subsection 606 contains requirements and application material on applying the conceptual framework to providing internal audit services to an audit client.</p>	
	<p>606.3 A1 The provision of internal audit services to an audit client causes a self-review threat to independence if the firm uses the internal audit work in the course of a subsequent external audit. Performing a significant part of the client's internal audit activities increases the possibility that firm personnel providing internal audit services will assume a management responsibility.</p>	
	<p>R606.3 A firm or network firm shall not provide an internal audit service to an audit client unless, in providing the service, personnel of the firm or network firm do not assume a management responsibility and the firm is satisfied that: ...</p>	<p>Network firm now explicitly stated for clarity.</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
	Accordingly, a firm's personnel shall not assume a management responsibility when providing internal audit services to an audit client.	
290.194	<p>606.3 A2 Examples of internal audit services that involve assuming management responsibilities include:</p> <ul style="list-style-type: none"> • Setting internal audit policies or the strategic direction of internal audit activities; • Directing and taking responsibility for the actions of the entity's internal audit employees; • Deciding which recommendations resulting from internal audit activities to implement; • Reporting the results of the internal audit activities to those charged with governance on behalf of management; • Performing procedures that form part of the internal control, such as reviewing and approving changes to employee data access privileges; • Taking responsibility for designing, implementing and maintaining internal control; and • Performing outsourced internal audit services, comprising all or a substantial portion of the internal audit function, where the firm; <ul style="list-style-type: none"> ○ Is responsible for determining the scope of the internal audit work; and 	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
	<ul style="list-style-type: none"> ○ Might have responsibility for one or more of the matters noted above. 	
<p>290.195</p> <p>To avoid assuming a management responsibility, the firm shall only provide internal audit services to an audit client if it is satisfied that:</p> <p>(a) The client designates an appropriate and competent resource, preferably within senior management, to be responsible at all times for internal audit activities and to acknowledge responsibility for designing, implementing, and maintaining internal control;</p> <p>(b) The client's management or those charged with governance reviews, assesses and approves the scope, risk and frequency of the internal audit services;</p> <p>(c) The client's management evaluates the adequacy of the internal audit services and the findings resulting from their performance;</p> <p>(d) The client's management evaluates and determines which recommendations resulting from internal audit services to implement and manages the implementation</p>	<p>R606.3 A firm or network firm shall not provide an internal audit service to an audit client unless, in providing the service, personnel of the firm or network firm do not assume a management responsibility and the firm is satisfied that:</p> <p>(a) The client designates an appropriate and competent resource, preferably within senior management, to:</p> <p>(i) Be responsible at all times for internal audit activities; and</p> <p>(ii) Acknowledge responsibility for designing, implementing, and maintaining internal control;</p> <p>(b) The client's management or those charged with governance reviews, assesses and approves the scope, risk and frequency of the internal audit services;</p> <p>(c) The client's management evaluates the adequacy of the internal audit services and the findings resulting from their performance;</p> <p>(d) The client's management evaluates and determines which recommendations resulting from internal audit services to implement and manages the implementation</p>	<p>Network firm now explicitly stated for clarity.</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	<p>process; and</p> <p>(e) The client's management reports to those charged with governance the significant findings and recommendations resulting from the internal audit services.</p>	<p>process; and</p> <p>(e) The client's management reports to those charged with governance the significant findings and recommendations resulting from the internal audit services.</p>	
290.196	<p>When a firm uses the work of an internal audit function, ISAs require the performance of procedures to evaluate the adequacy of that work. When a firm accepts an engagement to provide internal audit services to an audit client, and the results of those services will be used in conducting the external audit, a self-review threat is created because of the possibility that the audit team will use the results of the internal audit service without appropriately evaluating those results or exercising the same level of professional skepticism as would be exercised when the internal audit work is performed by individuals who are not members of the firm.</p> <p>The significance of the threat will depend on factors such as:</p> <ul style="list-style-type: none"> • The materiality of the related financial statement amounts; • The risk of misstatement of the assertions related to those financial statement amounts; and 	<p>606.3 A3 When a firm uses the work of an internal audit function, International Standards on Auditing require the performance of procedures to evaluate the adequacy of that work. When a firm or network firm accepts an engagement to provide internal audit services to an audit client, the results of those services might be used in conducting the external audit. This causes a self-review threat because it is possible that the audit team will use the results of the internal audit service without:</p> <ul style="list-style-type: none"> • Appropriately evaluating those results; or • Exercising the same level of professional skepticism as would be exercised when the internal audit work is performed by individuals who are not members of the firm. <p>The significance of the threat will depend on factors such as:</p> <ul style="list-style-type: none"> • The materiality of the related financial statement amounts; • The risk of misstatement of the assertions related to those financial statement amounts; and • The degree of reliance that will be placed on the internal 	<p>Underlined text included in the requirement to comply the conceptual framework.</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
<ul style="list-style-type: none"> The degree of reliance that will be placed on the internal audit service. <p><u>The significance of the threat shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an acceptable level.</u> An example of such a safeguard is using professionals who are not members of the audit team to perform the internal audit service.</p>	<p>audit service.</p> <p>An example of a safeguard is using professionals who are not members of the audit team to perform the internal audit service.</p>	
<i>Audit clients that are public interest entities</i>		
<p>290.197</p> <p>In the case of an audit client that is a public interest entity, a firm shall not provide internal audit services that relate to:</p> <p>(a) A significant part of the internal controls over financial reporting;</p> <p>(b) Financial accounting systems that generate information that is, separately or in the aggregate, significant to the client's accounting records or financial statements on which the firm will express an opinion; or</p> <p>(c) Amounts or disclosures that are, separately or in the aggregate, material to the financial statements on which the firm will express an opinion.</p>	<p>R606.4 A firm or network firm shall not provide internal audit services to an audit client that is a public interest entity, if the services relate to:</p> <p>(a) A significant part of the internal controls over financial reporting;</p> <p>(b) Financial accounting systems that generate information that is, separately or in the aggregate, significant to the client's accounting records or financial statements on which the firm will express an opinion; or</p> <p>(c) Amounts or disclosures that are, separately or in the aggregate, material to the financial statements on which the firm will express an opinion.</p>	<p>Network firm now explicitly stated for clarity.</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
<i>IT Systems Services</i>		
290.198	<p>Services related to information technology (IT) systems include the design or implementation of hardware or software systems. The systems may aggregate source data, form part of the internal control over financial reporting or generate information that affects the accounting records or financial statements, or the systems may be unrelated to the audit client's accounting records, the internal control over financial reporting or financial statements. Providing systems services may create a self-review threat depending on the nature of the services and the IT systems.</p>	
290.199	<p>The following IT systems services are deemed not to create a threat to independence as long as the firm's personnel do not assume a management responsibility:</p> <ul style="list-style-type: none"> (a) Design or implementation of IT systems that are unrelated to internal control over financial reporting; (b) Design or implementation of IT systems that do not generate information forming a 	<p>607.2 Services related to IT systems include the design or implementation of hardware or software systems. The systems might:</p> <ul style="list-style-type: none"> • Aggregate source data; • Form part of the internal control over financial reporting; or • Generate information that affects the accounting records or financial statements. <p>However, the systems might involve matters that are unrelated to the audit client's accounting records or the internal control over financial reporting or financial statements. Providing systems services might cause a self-review threat depending on the nature of the services and the IT systems.</p> <p>607.3 A1 The following IT systems services do not cause a threat to independence as long as the firm's personnel do not assume a management responsibility:</p> <ul style="list-style-type: none"> (a) Designing or implementing IT systems that are unrelated to internal control over financial reporting; (b) Designing or implementing IT systems that do not generate information forming a significant part of the accounting records or financial statements; (c) Implementing "off-the-shelf" accounting or financial

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	<p>significant part of the accounting records or financial statements;</p> <p>(c) Implementation of “off-the-shelf” accounting or financial information reporting software that was not developed by the firm if the customization required to meet the client’s needs is not significant; and</p> <p>(d) Evaluating and making recommendations with respect to a system designed, implemented or operated by another service provider or the client.</p>	<p>information reporting software that was not developed by the firm, if the customization required to meet the client’s needs is not significant; and</p> <p>(d) Evaluating and making recommendations with respect to a system designed, implemented or operated by another service provider or the client.</p>	
Audit clients that are not public interest entities			
290.200	<p>Providing services to an audit client that is not a public interest entity involving the design or implementation of IT systems that</p> <p>(a) form a significant part of the internal control over financial reporting or</p> <p>(b) generate information that is significant to the client’s accounting records or financial statements on which the firm will express an opinion creates a self-review threat.</p>	<p>R607.4 A firm or network firm shall not provide an IT systems service to an audit client that is not a public interest entity if the service involves the design or implementation of IT systems that:</p> <p>(a) Form a significant part of the internal control over financial reporting; or</p> <p>(b) Generate information that is significant to the client’s accounting records or financial statements on which the firm will express an opinion, ...</p>	<p>Network firm now explicitly stated for clarity.</p>
290.201	<p>The self-review threat is too significant to permit such services unless appropriate safeguards are put in place ensuring that:</p>	<p>R607.4 A firm or network firm ...</p> <p>unless appropriate safeguards are put in place ensuring that:</p> <p>(a) The client acknowledges its responsibility for establishing</p>	<p>Network firm now explicitly stated for clarity.</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
<p>(a) The client acknowledges its responsibility for establishing and monitoring a system of internal controls;</p> <p>(b) The client assigns the responsibility to make all management decisions with respect to the design and implementation of the hardware or software system to a competent employee, preferably within senior management;</p> <p>(c) The client makes all management decisions with respect to the design and implementation process;</p> <p>(d) The client evaluates the adequacy and results of the design and implementation of the system; and</p> <p>(e) The client is responsible for operating the system (hardware or software) and for the data it uses or generates.</p>	<p>and monitoring a system of internal controls;</p> <p>(b) The client assigns the responsibility to make all management decisions with respect to the design and implementation of the hardware or software system to a competent employee, preferably within senior management;</p> <p>(c) The client makes all management decisions with respect to the design and implementation process;</p> <p>(d) The client evaluates the adequacy and results of the design and implementation of the system; and</p> <p>(e) The client is responsible for operating the system (hardware or software) and for the data it uses or generates.</p>	
<p>290.202</p>	<p>R607.5 If a firm determines that it is permitted by paragraph R607.4 to provide an IT systems service, the firm shall determine whether to provide that service only with personnel who are not members of the audit team and who have different reporting lines within the firm.</p>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	The significance of any remaining threat shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an acceptable level. An example of such a safeguard is having a professional accountant review the audit or non-assurance work.	607.5 A1 The determination to be made in paragraph R607.5 depends on the degree of reliance that will be placed on the particular IT systems as part of the audit. It might be necessary for the firm to apply safeguards to eliminate any remaining threat or reduce it to an acceptable level. An example of such a safeguard is having a professional accountant review the audit or non-assurance work.	
<i>Audit clients that are public interest entities</i>			
290.203	<p>In the case of an audit client that is a public interest entity, a firm shall not provide services involving the design or implementation of IT systems that</p> <p>(a) form a significant part of the internal control over financial reporting or</p> <p>(b) generate information that is significant to the client's accounting records or financial statements on which the firm will express an opinion.</p>	<p>R607.6 A firm or network firm shall not provide IT systems services to an audit client that is a public interest entity if the services involve designing or implementing IT systems that:</p> <p>(a) Form a significant part of the internal control over financial reporting; or</p> <p>(b) Generate information that is significant to the client's accounting records or financial statements on which the firm will express an opinion.</p>	Network firm now explicitly stated for clarity.
<i>Litigation Support Services</i>			
290.204	Litigation support services may include activities such as acting as an expert witness, calculating estimated damages or other amounts that might become receivable or payable as the result of litigation or other legal dispute, and assistance	<p>608.2 Litigation support services might include activities such as:</p> <ul style="list-style-type: none"> Acting as an expert witness; Calculating estimated damages or other amounts that 	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	with document management and retrieval. These services may create a self-review or advocacy threat.	<p>might become receivable or payable as the result of litigation or other legal dispute; and</p> <ul style="list-style-type: none"> Assisting with document management and retrieval 	
290.205	If the firm provides a litigation support service to an audit client and the service involves estimating damages or other amounts that affect the financial statements on which the firm will express an opinion, the valuation service provisions included in paragraphs 290.172 to 290.177 shall be followed. In the case of other litigation support services, the significance of any threat created shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an acceptable level.	608.3 A1 If the firm or a network firm provides a litigation support service to an audit client and the service involves estimating damages or other amounts that affect the financial statements on which the firm will express an opinion, the provisions contained in Subsection 604 related to valuation services apply.	Network firm now explicitly stated for clarity.
Legal Services			
290.206	For the purpose of this section, legal services are defined as any services for which the person providing the services must either be admitted to practice law before the courts of the jurisdiction in which such services are to be provided or have the required legal training to practice law. Such legal services may include, depending on the jurisdiction, a wide and diversified range of areas including both corporate and commercial services to clients, such as contract support, litigation, mergers and acquisition legal advice	609.2 For the purpose of this section, legal services are defined as any services for which the individual providing the services must either (a) be admitted to practice law before the courts of the jurisdiction in which such services are to be provided or (b) have the required legal training to practice law. Depending on the jurisdiction legal services may include a wide and diversified range of areas including both corporate and commercial services to clients, such as contract support, litigation, mergers and acquisition legal advice and support and assistance to clients' internal legal departments. Providing legal services to an entity that is	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
	and support and assistance to clients' internal legal departments. Providing legal services to an entity that is an audit client may create both self-review and advocacy threats.	an audit client might cause both self-review and advocacy threats.
		609.1 Providing legal support services to an audit client might cause a self-review or advocacy threat. Subsection 609 contains requirements and application material on applying the conceptual framework to providing legal services to an audit client.
290.207	<p>Legal services that support an audit client in executing a transaction (for example, contract support, legal advice, legal due diligence and restructuring) may create self-review threats. The existence and significance of any threat will depend on factors such as:</p> <ul style="list-style-type: none"> • The nature of the service; • Whether the service is provided by a member of the audit team; and • The materiality of any matter in relation to the client's financial statements. <p><u>The significance of any threat created shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an acceptable level.</u> Examples of such safeguards include:</p> <ul style="list-style-type: none"> • Using professionals who are not members of the audit team to perform the service; or 	<p>609.3 A1 Legal services that support an audit client in executing a transaction might cause self-review threats. An example of such a legal service might be, contract support, legal advice, legal due diligence and restructuring. The existence and significance of any threat will depend on factors such as:</p> <ul style="list-style-type: none"> • The nature of the service; • Whether the service is provided by a member of the audit team; and • The materiality of any matter in relation to the client's financial statements. <p>Examples of safeguards include:</p> <ul style="list-style-type: none"> • Using professionals who are not members of the audit team to perform the service; or • Having a professional who was not involved in providing the legal services provide advice to the audit team on the service and review any financial statement treatment.
		New introductory material.
		Underlined text included in the requirement to comply the conceptual framework.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	<ul style="list-style-type: none">Having a professional who was not involved in providing the legal services provide advice to the audit team on the service and review any financial statement treatment.		
290.208	Acting in an advocacy role for an audit client in resolving a dispute or litigation when the amounts involved are material to the financial statements on which the firm will express an opinion would create advocacy and self-review threats so significant that no safeguards could reduce the threat to an acceptable level. Therefore, the firm shall not perform this type of service for an audit client.	R609.4 A firm or network firm shall not act in an advocacy role for an audit client in resolving a dispute or litigation when the amounts involved are material to the financial statements on which the firm will express an opinion.	Network firm now explicitly stated for clarity.
290.209	<p>When a firm is asked to act in an advocacy role for an audit client in resolving a dispute or litigation when the amounts involved are not material to the financial statements on which the firm will express an opinion, <u>the firm shall evaluate the significance of any advocacy and self-review threats created and apply safeguards when necessary to eliminate the threat or reduce it to an acceptable level.</u> Examples of such safeguards include:</p> <ul style="list-style-type: none">Using professionals who are not members of the audit team to perform the service; or <p>Having a professional who was not involved in</p>	<p>609.4 A1 Acting in an advocacy role for an audit client in resolving a dispute or litigation when the amounts involved are not material to the financial statements on which the firm will express an opinion might cause advocacy and self-review threats.</p> <p>Examples of safeguards include:</p> <ul style="list-style-type: none">Using professionals who are not members of the audit team to perform the service; orHaving a professional who was not involved in providing the legal services advise the audit team on the service and review any financial statement treatment.	<p>Network firm now explicitly stated for clarity.</p> <p>Underlined text included in the requirement to comply the conceptual framework.</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	providing the legal services advise the audit team on the service and review any financial statement treatment.		
290.210	The appointment of a partner or an employee of the firm as General Counsel for legal affairs of an audit client would create self-review and advocacy threats that are so significant that no safeguards could reduce the threats to an acceptable level. The position of General Counsel is generally a senior management position with broad responsibility for the legal affairs of a company, and consequently, no member of the firm shall accept	<p>R 609.5 A partner or employee of the firm or network firm shall not accept an appointment as General Counsel for legal affairs of an audit client.</p> <p>609.5 A1 The position of General Counsel is generally a senior management position with broad responsibility for the legal affairs of a company.</p>	Network firm now explicitly stated for clarity.
Recruiting Services			
290.211	Providing recruiting services to an audit client may create self-interest, familiarity or intimidation threats.	610.1 Providing recruiting services to an audit client might cause a self-interest, familiarity or intimidation threat. Subsection 610 contains requirements and application material on applying the conceptual framework to providing recruiting services to an audit client.	New Introductory material.
	<p>The existence and significance of any threat will depend on factors such as:</p> <ul style="list-style-type: none"> The nature of the requested assistance; and <p>The role of the person to be recruited.</p>	<p>610 2 A1 The existence and significance of any threat caused when providing recruiting service to an audit client will depend on factors such as:</p> <ul style="list-style-type: none"> The nature of the requested assistance; and The role of the individual to be recruited. 	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	The significance of any threat created shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an acceptable level.		General requirement to apply the conceptual framework.
	In all cases, the firm shall not assume management responsibilities, including acting as a negotiator on the client's behalf, and the hiring decision shall be left to the client.	R610.2 When providing recruiting services to an audit client, the firm or network firm shall not assume management responsibilities, including acting as a negotiator on the client's behalf, and the hiring decision shall be made by the client.	Network firm now explicitly stated for clarity.
	The firm may generally provide such services as reviewing the professional qualifications of a number of applicants and providing advice on their suitability for the post. In addition, the firm may interview candidates and advise on a candidate's competence for financial accounting, administrative or control positions.	610.2 A1 ... The firm or network firm may generally provide such services as reviewing the professional qualifications of a number of applicants and providing advice on their suitability for the post. In addition, the firm or network firm may interview candidates and advise on a candidate's competence for financial accounting, administrative or control positions.	Network firm now explicitly stated for clarity.
Audit clients that are public interest entities			
290.212	A firm shall not provide the following recruiting services to an audit client that is a public interest entity with respect to a director or officer of the entity or senior management in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion:	R610.3 A firm or network firm shall not provide a recruiting service to an audit client that is a public interest entity with respect to a director or officer of the entity or senior management in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion; if the service involves: (a) Searching for or seeking out candidates for such	Network firm now explicitly stated for clarity.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	(a) Searching for or seeking out candidates for such positions; and (b) Undertaking reference checks of prospective candidates for such positions.	positions; and (b) Undertaking reference checks of prospective candidates for such positions.	
Corporate Finance Services			
290.213		611.1 Providing corporate finance services to an audit client might cause an advocacy or self-review threat. Subsection 611 contains requirements and application material on applying the conceptual framework to providing corporate finance services to an audit client.	New introductory material.
	Providing corporate finance services such as: (a) Assisting an audit client in developing corporate strategies; (b) Identifying possible targets for the audit client to acquire; (c) Advising on disposal transactions; (d) Assisting finance raising transactions; and (e) Providing structuring advice, may create advocacy and self-review threats.	611.2 A1 Examples of corporate finance services that might cause a threat to independence include: <ul style="list-style-type: none"> Assisting an audit client in developing corporate strategies; Identifying possible targets for the audit client to acquire; Advising on disposal transactions; Assisting finance raising transactions; and Providing structuring advice.	
	The significance of any threat shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an acceptable		General requirement to apply the conceptual framework.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	level.		
	<p>Examples of such safeguards include:</p> <ul style="list-style-type: none"> Using professionals who are not members of the audit team to provide the services; or Having a professional who was not involved in providing the corporate finance service advise the audit team on the service and review the accounting treatment and any financial statement treatment. 	<p>611.2 A1 ... Examples of safeguards include:</p> <ul style="list-style-type: none"> Using professionals who are not members of the audit team to provide the services; or Having a professional who was not involved in providing the corporate finance service advise the audit team on the service and review the accounting treatment and any financial statement treatment. 	
290.214	<p>Providing a corporate finance service, for example advice on the structuring of a corporate finance transaction or on financing arrangements that will directly affect amounts that will be reported in the financial statements on which the firm will provide an opinion may create a self-review threat. The existence and significance of any threat will depend on factors such as:</p> <ul style="list-style-type: none"> The degree of subjectivity involved in determining the appropriate treatment for the outcome or consequences of the corporate finance advice in the financial statements; The extent to which the outcome of the corporate finance advice will directly affect amounts recorded in the financial statements and the extent to which the amounts are 	<p>611.2 A2 Providing a corporate finance service, for example advice on the structuring of a corporate finance transaction or on financing arrangements that will directly affect amounts that will be reported in the financial statements on which the firm will provide an opinion, might cause a self-review threat. The existence and significance of any threat will depend on factors such as:</p> <ul style="list-style-type: none"> The degree of subjectivity involved in determining the appropriate treatment for the outcome or consequences of the corporate finance advice in the financial statements; The extent to which: <ul style="list-style-type: none"> The outcome of the corporate finance advice will directly affect amounts recorded in the financial statements; and The amounts are material to the financial statements; 	<p>Underlined text includes general requirement to apply the conceptual framework.</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
<p>material to the financial statements; and</p> <ul style="list-style-type: none"> Whether the effectiveness of the corporate finance advice depends on a particular accounting treatment or presentation in the financial statements and there is doubt as to the appropriateness of the related accounting treatment or presentation under the relevant financial reporting framework. <p><u>The significance of any threat shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an acceptable level.</u> Examples of such safeguards include:</p> <ul style="list-style-type: none"> Using professionals who are not members of the audit team to perform the service; or Having a professional who was not involved in providing the corporate finance service to the client advise the audit team on the service and review the accounting treatment and any financial statement treatment. 	<p>and</p> <ul style="list-style-type: none"> Whether the effectiveness of the corporate finance advice depends on a particular accounting treatment or presentation in the financial statements and there is doubt as to the appropriateness of the related accounting treatment or presentation under the relevant financial reporting framework. <p>Examples of safeguards include:</p> <ul style="list-style-type: none"> Using professionals who are not members of the audit team to perform the service; or Having a professional who was not involved in providing the corporate finance service to the client advise the audit team on the service and review the accounting treatment and any financial statement treatment. 	
<p>290.215</p> <p>Where the effectiveness of corporate finance advice depends on a particular accounting treatment or presentation in the financial statements and:</p> <ul style="list-style-type: none"> The audit team has reasonable doubt as to the appropriateness of the related accounting treatment or presentation under 	<p>R611.3 A firm or network firm shall not provide corporate finance advice to an audit client where the effectiveness of corporate finance advice depends on a particular accounting treatment or presentation in the financial statements and:</p> <p>(a) The audit team has reasonable doubt as to the appropriateness of the related accounting treatment or</p>	<p>Network firm now explicitly stated for clarity.</p> <p>Underlined text included in the requirement to apply the conceptual</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	<p>the relevant financial reporting framework; and</p> <ul style="list-style-type: none"> The outcome or consequences of the corporate finance advice will have a material effect on the financial statements on which the firm will express an opinion. <p><u>The self-review threat would be so significant that no safeguards could reduce the threat to an acceptable level, in which case the corporate finance advice shall not be provided.</u></p>	<p>presentation under the relevant financial reporting framework; and</p> <p>(b) The outcome or consequences of the corporate finance advice will have a material effect on the financial statements on which the firm will express an opinion.</p>	framework.
290.216	<p>Providing corporate finance services involving promoting, dealing in, or underwriting an audit client's shares would create an advocacy or self-review threat that is so significant that no safeguards could reduce the threat to an acceptable level. Accordingly, a firm shall not provide such services to an audit client.</p>	<p>R611.4 A firm or network firm shall not provide corporate finance services to an audit client that involve promoting, dealing in, or underwriting the audit client's shares.</p>	<p>Network firm now explicitly stated for clarity.</p> <p>Text included in the requirement to comply the conceptual framework.</p>
SECTION 290 INDEPENDENCE—AUDIT AND REVIEW ENGAGEMENTS			
<i>Fees</i>			
Fees—Relative Size			
290.217	<p>When the total fees from an audit client represent a large proportion of the total fees of the firm expressing the audit opinion, the dependence on</p>	<p>411.2 A1 When the total fees from an audit client represent a large proportion of the total fees of the firm expressing the audit opinion, the dependence on that client</p>	Underlined text included in the requirement to comply with the

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
<p>that client and concern about losing the client creates a self-interest or intimidation threat. The significance of the threat will depend on factors such as:</p> <ul style="list-style-type: none"> • The operating structure of the firm; • Whether the firm is well established or new; and • The significance of the client qualitatively and/or quantitatively to the firm. <p><u>The significance of the threat shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an acceptable level. Examples of such safeguards include:</u></p> <ul style="list-style-type: none"> • Reducing the dependency on the client; • External quality control reviews; or <p>Consulting a third party, such as a professional regulatory body or a professional accountant, on key audit judgments.</p>	<p>and concern about losing the client causes a self-interest or intimidation threat. The significance of the threat will depend on factors such as:</p> <ul style="list-style-type: none"> • The operating structure of the firm; • Whether the firm is well established or new; and • The significance of the client qualitatively and/or quantitatively to the firm. <p>Examples of safeguards include:</p> <ul style="list-style-type: none"> • Reducing the dependency on the client; • External quality control reviews; or <p>Consulting a third party, such as a professional regulatory body or a professional accountant, on key audit judgments.</p>	<p>conceptual framework.</p>
<p>290.218</p> <p>A self-interest or intimidation threat is also created when the fees generated from an audit client represent a large proportion of the revenue from an individual partner's clients or a large proportion of the revenue of an individual office of the firm.</p>	<p>411.2 A2 A self-interest or intimidation threat is also caused when the fees generated from an audit client represent:</p> <ul style="list-style-type: none"> • A large proportion of the revenue from an individual partner's clients: or • A large proportion of the revenue of an individual office of 	<p>Underlined text included in the requirement to comply with the conceptual framework.</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
<p>The significance of the threat will depend upon factors such as:</p> <ul style="list-style-type: none"> • The significance of the client qualitatively and/or quantitatively to the partner or office; and • The extent to which the remuneration of the partner, or the partners in the office, is dependent upon the fees generated from the client. <p><u>The significance of the threat shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an acceptable level.</u> Examples of such safeguards include:</p> <ul style="list-style-type: none"> • Reducing the dependency on the audit client; • Having a professional accountant review the work or otherwise advise as necessary; or • Regular independent internal or external quality reviews of the engagement. 	<p>the firm.</p> <p>The significance of the threat will depend upon factors such as:</p> <ul style="list-style-type: none"> • The significance of the client qualitatively and/or quantitatively to the partner or office; and • The extent to which the remuneration of the partner, or the partners in the office, is dependent upon the fees generated from the client. <p>Examples of safeguards include:</p> <ul style="list-style-type: none"> • Reducing the dependency on the audit client; • Having a professional accountant review the work or otherwise advise as necessary; or <p>Regular independent internal or external quality reviews of the engagement.</p>	
<i>Audit Clients that are Public Interest Entities</i>		
290.219	<p>Where an audit client is a public interest entity and, for two consecutive years, the total fees from the client and its related entities (subject to the considerations in paragraph 290.27)</p> <p>R411.3 Where an audit client is a public interest entity and, for two consecutive years, the total fees from the client and its related entities (subject to the considerations in</p>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
<p>represent more than 15% of the total fees received by the firm expressing the opinion on the financial statements of the client, the firm shall disclose to those charged with governance of the audit client the fact that the total of such fees represents more than 15% of the total fees received by the firm, and discuss which of the safeguards below it will apply to reduce the threat to an acceptable level, and apply the selected safeguard:</p> <ul style="list-style-type: none"> • Prior to the issuance of the audit opinion on the second year's financial statements, a professional accountant, who is not a member of the firm expressing the opinion on the financial statements, performs an engagement quality control review of that engagement or a professional regulatory body performs a review of that engagement that is equivalent to an engagement quality control review ("a pre-issuance review"); or • After the audit opinion on the second year's financial statements has been issued, and before the issuance of the audit opinion on the third year's financial statements, a professional accountant, who is not a member of the firm expressing the opinion on the financial statements, or a professional regulatory body performs a review of the second year's audit that is equivalent to an engagement quality control review ("a post- 	<p>paragraph in R400.8) represent more than 15% of the total fees received by the firm expressing the opinion on the financial statements of the client, the firm shall:</p> <p>(a) Disclose to those charged with governance of the audit client the fact that the total of such fees represents more than 15% of the total fees received by the firm, and</p> <p>(b) Discuss which of the safeguards below it will apply to reduce the threat to an acceptable level, and apply the selected safeguard:</p> <p>(i) Prior to the audit opinion being issued on the second year's financial statements, a professional accountant, who is not a member of the firm expressing the opinion on the financial statements, performs an engagement quality control review of that engagement; or a professional regulatory body performs a review of that engagement that is equivalent to an engagement quality control review ("a pre-issuance review"); or</p> <p>(ii) After the audit opinion on the second year's financial statements has been issued, and before the audit opinion being issued on the third year's financial statements, a professional accountant, who is not a member of the firm expressing the opinion on the financial statements, or a professional regulatory body performs a review of the second year's audit that is equivalent to an engagement quality control review ("a post-issuance review").</p>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	issuance review”).		
	When the total fees significantly exceed 15%, the firm shall determine whether the significance of the threat is such that a post-issuance review would not reduce the threat to an acceptable level and, therefore, a pre-issuance review is required. In such circumstances a pre-issuance review shall be performed.	<p>R411.4 When the total fees significantly exceed 15%, the firm shall:</p> <p>(a) Determine whether the significance of the threat is such that a post-issuance review would not reduce the threat to an acceptable level; and</p> <p>(b) In such circumstances, have a pre-issuance review performed.</p>	
	Thereafter, when the fees continue to exceed 15% each year, the disclosure to and discussion with those charged with governance shall occur and one of the above safeguards shall be applied. If the fees significantly exceed 15%, the firm shall determine whether the significance of the threat is such that a post-issuance review would not reduce the threat to an acceptable level and, therefore, a pre-issuance review is required. In such circumstances a pre-issuance review shall be performed.	<p>R411.5 If the fees continue to exceed 15% the firm shall each year:</p> <p>(a) Disclose to and discuss with those charged with governance the matters contained in paragraph R411.3; and</p> <p>(b) Apply one of the safeguards contained in paragraph R411.3.</p> <p>If the fees significantly exceed 15%, the firm shall determine whether the significance of the threat is such that a post-issuance review would not reduce the threat to an acceptable level and, therefore, a pre-issuance review is required. In such circumstances a pre-issuance review shall be performed.</p>	
Fees—Overdue			
290.220	A self-interest threat may be created if fees due	412.2 A1 A self-interest threat might be caused if fees	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	from an audit client remain unpaid for a long time, especially if a significant part is not paid before the issue of the audit report for the following year. Generally the firm is expected to require payment of such fees before such audit report is issued.	due from an audit client remain unpaid for a long time, especially if a significant part is not paid before the audit report for the following year is issued. It is generally appropriate for the firm to require payment of such fees before such audit report is issued.	
	If fees remain unpaid after the report has been issued, the existence and significance of any threat shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an acceptable level.	412.2 A2 A self-interest threat is caused if fees remain unpaid after the report has been issued.	
	An example of such a safeguard is having an additional professional accountant who did not take part in the audit engagement provide advice or review the work performed.	412.2 A2 An example of a safeguard is having an additional professional accountant who did not take part in the audit engagement provide advice or review the work performed.	
	The firm shall determine whether the overdue fees might be regarded as being equivalent to a loan to the client and whether, because of the significance of the overdue fees, it is appropriate for the firm to be re-appointed or continue the audit engagement.	R412.3 The firm shall determine: (a) Whether the overdue fees might be regarded as being equivalent to a loan to the client; and (b) Whether it is appropriate for the firm to be re-appointed or continue the audit engagement because of the significance of the overdue fees.	
Contingent Fees			
290.221	Contingent fees are fees calculated on a predetermined basis relating to the outcome of a	413.2 Contingent fees are fees calculated on a predetermined basis relating to the outcome of a transaction	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	transaction or the result of the services performed by the firm. For the purposes of this section, a fee is not regarded as being contingent if established by a court or other public authority.	or the result of the services performed by the firm. For the purposes of this section, a fee is not regarded as being contingent if established by a court or other public authority.	
290.222	A contingent fee charged directly or indirectly, for example through an intermediary, by a firm in respect of an audit engagement creates a self-interest threat that is so significant that no safeguards could reduce the threat to an acceptable level. Accordingly, a firm shall not enter into any such fee arrangement.	R413.3 A firm shall not enter into an arrangement to charge, directly or indirectly, for example through an intermediary, a contingent fee for an audit engagement.	
290.223	<p>A contingent fee charged directly or indirectly, for example through an intermediary, by a firm in respect of a non-assurance service provided to an audit client may also create a self-interest threat. The threat created would be so significant that no safeguards could reduce the threat to an acceptable level if:</p> <ul style="list-style-type: none">• The fee is charged by the firm expressing the opinion on the financial statements and the fee is material or expected to be material to that firm;• The fee is charged by a network firm that participates in a significant part of the audit and the fee is material or expected to be	<p>R413.4 A firm or network firm shall not accept an arrangement to charge, directly or indirectly, for example through an intermediary, a contingent fee for a non-assurance service provided to an audit client, if:</p> <p>(a) The fee is charged by the firm expressing the opinion on the financial statements and the fee is:</p> <ul style="list-style-type: none">(i) Material; or(ii) Expected to be material to that firm; or <p>(b) The fee is charged by a network firm that participates in a significant part of the audit and the fee is:</p> <ul style="list-style-type: none">(i) Material to that firm, or(ii) Expected to be material to that firm; or	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
<p>material to that firm; or</p> <ul style="list-style-type: none"> The outcome of the non-assurance service, and therefore the amount of the fee, is dependent on a future or contemporary judgment related to the audit of a material amount in the financial statements. <p>Accordingly, such arrangements shall not be accepted.</p>	<p>(c) The outcome of the non-assurance service, and therefore the amount of the fee, is dependent on a future or contemporary judgment related to the audit of a material amount in the financial statements.</p>	
<p>290.224</p> <p>For other contingent fee arrangements charged by a firm for a non-assurance service to an audit client, the existence and significance of any threats will depend on factors such as:</p> <ul style="list-style-type: none"> The range of possible fee amounts; Whether an appropriate authority determines the outcome of the matter upon which the contingent fee will be determined; The nature of the service; and The effect of the event or transaction on the financial statements. <p><u>The significance of any threats shall be evaluated and safeguards applied when necessary to eliminate the threats or reduce them to an acceptable level. Examples of such safeguards include:</u></p> <ul style="list-style-type: none"> Having a professional accountant review the 	<p>413.4 A1 For other contingent fee arrangements charged by a firm or network firm for a non-assurance service to an audit client, the existence and significance of any threats will depend on factors such as:</p> <ul style="list-style-type: none"> The range of possible fee amounts; Whether an appropriate authority determines the outcome of the matter upon which the contingent fee will be determined; The nature of the service; and The effect of the event or transaction on the financial statements. <p><u>Examples of safeguards include:</u></p> <ul style="list-style-type: none"> <u>Having a professional accountant review the relevant audit work or otherwise advise as necessary; or</u> <u>Using professionals who are not members of the audit team to perform the non-assurance service.</u> 	<p>Underlined text included in the requirement to comply with the conceptual framework.</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	<p>relevant audit work or otherwise advise as necessary; or</p> <ul style="list-style-type: none"> Using professionals who are not members of the audit team to perform the non-assurance service. 		
Compensation and Evaluation Policies			
290.225	<p>A self-interest threat is created when a member of the audit team is evaluated on or compensated for selling non-assurance services to that audit client.</p> <p>The significance of the threat will depend on:</p> <ul style="list-style-type: none"> The proportion of the individual's compensation or performance evaluation that is based on the sale of such services; The role of the individual on the audit team; and Whether promotion decisions are influenced by the sale of such services. <p><u>The significance of the threat shall be evaluated and, if the threat is not at an acceptable level, the firm shall either revise the compensation plan or evaluation process for that individual or apply safeguards to eliminate the threat or reduce it to</u></p>	<p>414.2 A1 When a member of the audit team for a particular audit client is:</p> <p>(a) Evaluated on; or</p> <p>(b) Compensated for selling non-assurance services to that audit client,</p> <p>The significance of the threat will depend on:</p> <ul style="list-style-type: none"> The proportion of the individual's compensation or performance evaluation that is based on the sale of such services; The role of the individual on the audit team; and Whether promotion decisions are influenced by the sale of such services. <p><u>Examples of safeguards include:</u></p> <ul style="list-style-type: none"> <u>Revising the compensation plan or evaluation process for that individual;</u> <u>Removing such members from the audit team; or</u> <u>Having a professional accountant review the work of the</u> 	<p>Underlined evaluation text included in the requirement to comply with the conceptual framework.</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	<p><u>an acceptable level. Examples of such safeguards include:</u></p> <ul style="list-style-type: none"> • Removing such members from the audit team; or • Having a professional accountant review the work of the member of the audit team. 	<i>member of the audit team</i>	
290.226	A key audit partner shall not be evaluated on or compensated based on that partner's success in selling non-assurance services to the partner's audit client. This is not intended to prohibit normal profit-sharing arrangements between partners of a firm.	R414.3 A key audit partner shall not be evaluated or compensated based on that partner's success in selling non-assurance services to the partner's audit client. This requirement does not preclude normal profit-sharing arrangements between partners of a firm.	
Gifts and Hospitality			
290.227	Accepting gifts or hospitality from an audit client may create self-interest and familiarity threats. If a firm or a member of the audit team accepts gifts or hospitality, unless the value is trivial and inconsequential, the threats created would be so significant that no safeguards could reduce the threats to an acceptable level. Consequently, a firm or a member of the audit team shall not	<p>420.1 Accepting gifts or hospitality from an audit client might cause self-interest and familiarity threats. Section 420 contains requirements on applying the conceptual framework to evaluating the impact of gifts and hospitality.</p> <p>R420.2 A professional accountant shall apply the conceptual framework contained in Section 120 and paragraph R400.6 in accepting gifts or hospitality from an audit client.</p>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	accept such gifts or hospitality.	R420.3 A firm or a member of the audit team shall not accept gifts or hospitality from an audit client, unless the value is trivial and inconsequential	
Actual or Threatened Litigation			
290.228	When litigation takes place, or appears likely, between the firm or a member of the audit team and the audit client, self-interest and intimidation threats are created.	430.1 When litigation occurs, or appears likely, between the firm, a network firm or a member of the audit team and the audit client, self-interest and intimidation threats are caused. Section 430 contains requirements and application material on applying the conceptual framework to such actual or threatened litigation.	
	<p>The relationship between client management and the members of the audit team must be characterized by complete candor and full disclosure regarding all aspects of a client's business operations. When the firm and the client's management are placed in adversarial positions by actual or threatened litigation, affecting management's willingness to make complete disclosures, self-interest and intimidation threats are created. The significance of the threats created will depend on such factors as:</p> <ul style="list-style-type: none"> • The materiality of the litigation; and • Whether the litigation relates to a prior audit 	<p>430.2 A1 It is necessary for the relationship between client management and the members of the audit team to be characterized by complete candor and full disclosure regarding all aspects of a client's business operations. The adversarial positions which might result from actual or threatened litigation might affect management's willingness to make complete disclosures and cause self-interest and intimidation threats.</p> <p>The significance of the threats might depend on such factors as:</p> <ul style="list-style-type: none"> • The materiality of the litigation; and • Whether the litigation relates to a prior audit engagement. <p><u>Examples of safeguards include:</u></p>	<p>Underlined text included in the requirement to comply with the conceptual framework.</p> <p>Italicized text has been deleted as it duplicates the conceptual framework text.</p>

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	<p>engagement.</p> <p><u>The significance of the threats shall be evaluated and safeguards applied when necessary to eliminate the threats or reduce them to an acceptable level. Examples of such safeguards include:</u></p> <ul style="list-style-type: none"> • If the litigation involves a member of the audit team, removing that individual from the audit team; or • Having a professional review the work performed. <p><i>If such safeguards do not reduce the threats to an acceptable level, the only appropriate action is to withdraw from, or decline, the audit engagement.</i></p>	<ul style="list-style-type: none"> • <i>If the litigation involves a member of the audit team, removing that individual from the audit team; or</i> • <i>Having a professional review the work performed</i> 	
	Paragraphs 290.229 to 290.499 are intentionally left blank.		A similar phrase is likely to be included once the restructuring is complete.
Reports that Include a Restriction on Use and Distribution			
290.500	The independence requirements in Section 290 apply to all audit engagements. However, in certain circumstances involving audit engagements where the report includes a restriction on use and distribution, and provided	499.1 The independence requirements in C1 apply to all audit engagements. However, in certain circumstances involving audit engagements where the report includes a restriction on use and distribution, and provided the conditions contained in paragraphs R499.3 and R499.4 are	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code	Draft Restructured Code	Comments
<p>the conditions described in paragraphs 290.501 to 290.502 are met, the independence requirements in this section may be modified as provided in paragraphs 290.505 to 290.514. These paragraphs are only applicable to an audit engagement on special purpose financial statements</p> <p>(a) that is intended to provide a conclusion in positive or negative form that the financial statements are prepared in all material respects, in accordance with the applicable financial reporting framework, including, in the case of a fair presentation framework, that the financial statements give a true and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting framework, and</p> <p>(b) where the audit report includes a restriction on use and distribution.</p> <p>The modifications are not permitted in the case of an audit of financial statements required by law or regulation.</p>	<p>met, the independence requirements in C1 may be modified as provided in paragraphs R499.7 to R499.16.</p> <p>499.2 The modifications permitted by Paragraphs R499.7 to R499.16 are available only in relation to an audit of special purpose financial statements::</p> <p>(a) That is intended to provide a conclusion in positive or negative form that the financial statements are prepared in all material respects, in accordance with the applicable financial reporting framework, including, in the case of a fair presentation framework, that the financial statements give a true and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting framework; and</p> <p>(b) Where the audit report includes a restriction on use and distribution.</p> <p>The modifications are not permitted in the case of an audit of financial statements that is required by law or regulation.</p>	
<p>290.501</p>	<p>R499.3 A firm shall not modify the requirements of C1 unless the intended users of the report:</p> <p>(a) Are knowledgeable as to the purpose and limitations of the report; and</p>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	(b) explicitly agree to the application of the modified independence requirements.	(b) Explicitly agree to the application of the modified independence requirements.	
	Knowledge as to the purpose and limitations of the report may be obtained by the intended users through their participation, either directly or indirectly through their representative who has the authority to act for the intended users, in establishing the nature and scope of the engagement. Such participation enhances the ability of the firm to communicate with intended users about independence matters, including the circumstances that are relevant to the evaluation of the threats to independence and the applicable safeguards necessary to eliminate the threats or reduce them to an acceptable level, and to obtain their agreement to the modified independence requirements that are to be applied.	499.3 A1 The intended users of the report might obtain knowledge as to the purpose and limitations of the report through their participation in establishing the nature and scope of the engagement. The intended users might participate directly, or they might participate indirectly through a representative who has the authority to act for them. In either case, this participation enhances the ability of the firm to communicate with intended users about independence matters, including the circumstances that are relevant to the application of the conceptual framework, and to obtain their agreement to the modified independence requirements that are to be applied.	
290.502	The firm shall communicate (for example, in an engagement letter) with the intended users regarding the independence requirements that are to be applied with respect to the provision of the audit engagement.	R499.4 The firm shall communicate with the intended users regarding the independence requirements that are to be applied with respect to the provision of the audit engagement. In some cases, the intended users are a class of users who are not specifically identifiable by name at the time the engagement terms are established. A firm shall subsequently make such users aware of the independence requirements agreed to by the representative.	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	Where the intended users are a class of users (for example, lenders in a syndicated loan arrangement) who are not specifically identifiable by name at the time the engagement terms are established, such users shall subsequently be made aware of the independence requirements agreed to by the representative (for example, by the representative making the firm's engagement letter available to all users).	499.4 A1 As an example, the communication required by paragraph R499.4 may be included in an engagement letter to a representative of lenders in a syndicated loan arrangement. The representative may then make the firm's engagement letter available to the members of the syndicate.	
290.503	If the firm also issues an audit report that does not include a restriction on use and distribution for the same client, the provisions of paragraphs 290.500 to 290.514 do not change the requirement to apply the provisions of paragraphs 290.1 to 290.228 to that audit engagement.	R499.5 If the firm also issues an audit report that does not include a restriction on use and distribution for the same client, the firm shall apply the provisions of C1 to that audit engagement.	
290.504	The modifications to the requirements of Section 290 that are permitted in the circumstances set out above are described in paragraphs 290.505 to 290.514. Compliance in all other respects with the provisions of Section 290 is required.	R499.6 If the modifications to the requirements of C1 that are permitted in the circumstances contained in paragraphs R499.3 and R499.4 are limited to those contained in paragraphs R499.7 to R499.16, a firm shall comply in all other respects with the provisions of C1.	
Public Interest Entities			
290.505	When the conditions set out in paragraphs 290.500 to 290.502 are met, it is not necessary to apply the additional requirements in	R499.7 When the conditions contained in paragraphs 499.1 to R499.4 are met, it is not necessary for a firm to apply the additional requirements in C1 that apply to	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	paragraphs 290.100 to 290.228 that apply to audit engagements for public interest entities.	audit engagements for public interest entities.	
Related Entities			
290.506	When the conditions set out in paragraphs 290.500 to 290.502 are met, references to audit client do not include its related entities. However, when the audit team knows or has reason to believe that a relationship or circumstance involving a related entity of the client is relevant to the evaluation of the firm's independence of the client, the audit team shall include that related entity when identifying and evaluating threats to independence and applying appropriate safeguards.	R499.8 When the conditions contained in paragraphs 499.1 to R499.4 are met, references to audit client do not include its related entities. However, when the audit team knows or has reason to believe that a relationship or circumstance involving a related entity of the client is relevant to the evaluation of the firm's independence of the client, the audit team shall include that related entity when identifying and evaluating threats to independence and applying appropriate safeguards	
Networks and Network Firms			
290.507	When the conditions set out in paragraphs 290.500 to 290.502 are met, reference to the firm does not include network firms. However, when the firm knows or has reason to believe that threats are created by any interests and relationships of a network firm, they shall be included in the evaluation of threats to independence.	R499.9 When the conditions contained in paragraphs 499.1 to R499.4 are met, specific references to interests and relationships of network firms contained in C1 may be disregarded. However, when the firm knows or has reason to believe that threats are caused by any interests and relationships of a network firm, they shall be included in the evaluation of threats to independence.	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
<i>Financial Interests, Loans and Guarantees, Close Business Relationships and Family and Personal Relationships</i>			
290.508	When the conditions set out in paragraphs 290.500 to 290.502 are met, the relevant provisions set out in paragraphs 290.102 to 290.143 apply only to the members of the engagement team, their immediate family members and close family members.	R499.10 When the conditions contained in paragraphs 499.1 to R499.4 are met, the relevant provisions contained in Sections 510 and 520 and their subsections apply only to the members of the engagement team, their immediate family members and close family members.	
290.509	In addition, a determination shall be made as to whether threats to independence are created by interests and relationships, as described in paragraphs 290.102 to 290.143, between the audit client and the following members of the audit team: (a) Those who provide consultation regarding technical or industry specific issues, transactions or events; and (b) Those who provide quality control for the engagement, including those who perform the engagement quality control review.	R499.11 A firm shall determine whether threats to independence are caused by interests and relationships, as contained in Sections 510 and 520 and their subsections, between the audit client and the following members of the audit team: (a) Those who provide consultation regarding technical or industry specific issues, transactions or events; and (b) Those who provide quality control for the engagement, including those who perform the engagement quality control review.	
	An evaluation shall be made of the significance of any threats that the engagement team has reason to believe are created by interests and relationships between the audit client and others within the firm who can directly influence the outcome of the audit engagement, including	R499.12 A firm shall evaluate the significance of any threats that the engagement team has reason to believe are caused by interests and relationships between the audit client and (a) Others within the firm who can directly influence the	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	those who recommend the compensation of, or who provide direct supervisory, management or other oversight of the audit engagement partner in connection with the performance of the audit engagement (including those at all successively senior levels above the engagement partner through to the individual who is the firm's Senior or Managing Partner (Chief Executive or equivalent)).	<p>outcome of the audit engagement;</p> <p>(b) Those who recommend the compensation of, or who provide direct supervisory, management or other oversight of the audit engagement partner in connection with the performance of the audit engagement; and</p> <p>(c) Those at all successively senior levels above the engagement partner through to the individual who is the firm's Senior or Managing Partner (Chief Executive or equivalent).</p>	
290.510	An evaluation shall also be made of the significance of any threats that the engagement team has reason to believe are created by financial interests in the audit client held by individuals, as described in paragraphs 290.108 to 290.111 and paragraphs 290.113 to 290.115.	R499.13 The firm shall evaluate the significance of any threats that the engagement team has reason to believe are caused by financial interests in the audit client held by individuals, as described in paragraphs R511.3(c) and (d) and R511.9 (c) and (d).	
290.511	Where a threat to independence is not at an acceptable level, safeguards shall be applied to eliminate the threat or reduce it to an acceptable level.		Not included in the text because it re states the conceptual framework..
290.512	In applying the provisions set out in paragraphs 290.106 and 290.115 to interests of the firm, if the firm has a material financial interest, whether direct or indirect, in the audit client, the self-interest threat created would be so significant that no safeguards could reduce the threat to an acceptable level. Accordingly, the firm shall not	R499.14 In applying the provisions contained in paragraphs R511.3 (a), R511.5 and R511 (6) to interests of the firm, the firm shall not hold a material direct or indirect financial interest in the audit client.	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
	have such a financial interest.		
<i>Employment with an Audit Client</i>			
290.513	An evaluation shall be made of the significance of any threats from any employment relationships as described in paragraphs 290.132 to 290.136. Where a threat exists that is not at an acceptable level, safeguards shall be applied to eliminate the threat or reduce it to an acceptable level. Examples of safeguards that might be appropriate include those set out in paragraph 290.134.	R499.15 The firm shall evaluate the significance of any threats from any employment relationships as described in paragraphs 523.1 to 523.4. Examples of safeguards that might be appropriate include those set out in paragraph 523.3 A1.	
<i>Provision of Non-Assurance Services</i>			
290.514	If the firm conducts an engagement to issue a restricted use and distribution report for an audit client and provides a non-assurance service to the audit client, the provisions of paragraphs 290.154 to 290.228 shall be complied with, subject to paragraphs 290.504 to 290.507.	R499.16 If the firm conducts an engagement to issue a restricted use and distribution report for an audit client and provides a non-assurance service to the audit client, the firm shall comply with the provisions of paragraphs 600 to 699, subject to paragraphs R499.6 to R499.9.	
<i>New paragraphs in the restructured Code with no equivalent in extant:</i>			
		410.1 The level and nature of fees and other types of remuneration and a firm's compensation practices might cause threats to compliance with the fundamental principles and independence. Sections 411 to 414 contain requirements and application material on applying the conceptual	New introductory material.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
		framework to fees, other remuneration and compensation.	
		R410.2 A professional accountant shall apply the conceptual framework contained in Section 120 and paragraph R400.6 in relation to fees, other remuneration and compensation	Requirement to apply the conceptual framework
		410.2 A1 Matters that are relevant to consider when determining whether fees, other remuneration and compensation cause threats to independence include: <ul style="list-style-type: none"> • Relative size of fees; • Overdue fees; • Contingent fees; and Compensation and evaluation policies.	New application material as a result of the restructure.
		411.1 The amount of fees from an audit client relative to the total fees of the firm or an individual partner or office of the firm might create a self-interest or intimidation threat. Subsection 411 contains requirements and application material on applying the conceptual framework to evaluating the impact of the relative size of fees.	New introductory material.
		412.1 Fees from an audit client that remain unpaid for a long time might cause a self-interest threat. Subsection 412 contains requirements and application material on applying the conceptual framework to evaluating the impact of overdue fees.	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
		413.1 Charging contingent fees to an audit client might cause a self-interest threat. Subsection 413 contains requirements and application material on applying the conceptual framework to evaluating the impact of charging contingent fees.	New introductory material.
		414.1 Evaluating or compensating a member of an audit team for a particular audit client, including a partner, for selling non-assurance services to that audit client might cause a self-interest threat. Subsection 414 contains requirements and application material on applying the conceptual framework to evaluating the impact of compensation and evaluation policies.	New introductory material.
		R430.2 A professional accountant shall apply the conceptual framework contained in Section 120 and paragraph R400.6 if there is actual or threatened litigation between the audit client and: (a) The firm; (b) A network firm; or (c) A member of the audit team.	Requirement to apply the conceptual framework.
		602.1 Providing administrative services to an audit client causes a threat to independence if the firm assumes a management responsibility. Subsection 602 contains application material on applying the conceptual framework to providing administrative services.	New introductory material.

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Extant Code		Draft Restructured Code	Comments
		607.1 Performing information technology (IT) systems services for an audit client might cause a self-review threat. Subsection 607 contains requirements and application material on applying the conceptual framework to providing IT system services to an audit client.	New introductory material.
		608.1 Providing litigation support services to an audit client might cause a self-review or advocacy threat. Subsection 608 contains requirements and application material on applying the conceptual framework to providing litigation support services to an audit client.	New Introductory material.

Mapping Table of Comparison of Extant Code of Ethics to Post-CP Draft Restructured Code for Definitions

Item	Extant Code	Draft Restructured Code	Comments
Glossary			
Definitions			
	Definitions	Glossary	
		Footnote to Glossary - ¹ In this Glossary; defined terms are shown in regular font; italics are used for terms which have a specific meaning in certain Parts of this Code or for additional explanations of defined terms; references are also provided to terms described in the Code.	
	In this <i>Code of Ethics for Professional Accountants</i> , the following expressions have the following meanings assigned to them.	In this <i>Code of Ethics for Professional Accountants</i> , the following expressions have the following meanings assigned to them.	
	In this Code of Ethics for Professional Accountants, the following expressions have the following meanings assigned to them:	In this Code of Ethics for Professional Accountants, the following expressions have the following meanings assigned to them:	
Acceptable level	A level at which a reasonable and informed third party would be likely to conclude, weighing all the specific facts and circumstances available to the professional accountant at that time, that compliance with the fundamental principles is not compromised.	A level at which a reasonable and informed third party would be likely to conclude, weighing all the specific facts and circumstances available to the professional accountant at that time, that compliance with the fundamental principles is not compromised.	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Item	Extant Code	Draft Restructured Code	Comments
Advertising	The communication to the public of information as to the services or skills provided by professional accountants in public practice with a view to procuring professional business.	The communication to the public of information as to the services or skills provided by professional accountants in public practice with a view to procuring professional business	
Assurance client	The responsible party that is the person (or persons) who: (a) In a direct reporting engagement, is responsible for the subject matter; or In an assertion-based engagement, is responsible for the subject matter information and may be responsible for the subject matter.	The responsible party that is the person (or persons) who: (a) In a direct reporting engagement, is responsible for the subject matter; or (b) In an assertion-based engagement, is responsible for the subject matter information and may be responsible for the subject matter.	
Assurance engagement	An engagement in which a professional accountant in public practice expresses a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party about the outcome of the evaluation or measurement of a subject matter against criteria. (For guidance on assurance engagements see the International Framework for Assurance Engagements issued by the International Auditing and Assurance Standards Board which describes the elements and objectives of an assurance engagement and identifies engagements to which International Standards on Auditing (ISAs), International Standards on Review Engagements (ISREs) and International Standards on Assurance Engagements (ISAEs) apply.)	An engagement in which a professional accountant in public practice expresses a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party about the outcome of the evaluation or measurement of a subject matter against criteria. (For guidance on assurance engagements see the International Framework for Assurance Engagements issued by the International Auditing and Assurance Standards Board which describes the elements and objectives of an assurance engagement and identifies engagements to which International Standards on Auditing (ISAs), International Standards on Review Engagements (ISREs) and International Standards on	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Item	Extant Code	Draft Restructured Code	Comments
		Assurance Engagements (ISAEs) apply.)	
Assurance team	<p>(a) All members of the engagement team for the assurance engagement;</p> <p>(b) All others within a firm who can directly influence the outcome of the assurance engagement, including:</p> <p>(i) Those who recommend the compensation of, or who provide direct supervisory, management or other oversight of the assurance engagement partner in connection with the performance of the assurance engagement;</p> <p>(ii) Those who provide consultation regarding technical or industry specific issues, transactions or events for the assurance engagement; and</p> <p>(iii) Those who provide quality control for the assurance engagement, including those who perform the engagement quality control review for the assurance engagement.</p>	<p>(a) All members of the engagement team for the assurance engagement;</p> <p>(b) All others within a firm who can directly influence the outcome of the assurance engagement, including:</p> <p>(i) Those who recommend the compensation of, or who provide direct supervisory, management or other oversight of the assurance engagement partner in connection with the performance of the assurance engagement;</p> <p>(ii) Those who provide consultation regarding technical or industry specific issues, transactions or events for the assurance engagement; and</p> <p>(iii) Those who provide quality control for the assurance engagement, including those who perform the engagement quality control review for the assurance engagement.</p>	
Audit		<i>In C1 “audit” includes review</i>	No equivalent in the current definitions section. New

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Item	Extant Code	Draft Restructured Code	Comments
			material.
Audit client	An entity in respect of which a firm conducts an audit engagement. When the client is a listed entity, audit client will always include its related entities. When the audit client is not a listed entity, audit client includes those related entities over which the client has direct or indirect control.	An entity in respect of which a firm conducts an audit engagement. When the client is a listed entity, audit client will always include its related entities. When the audit client is not a listed entity, audit client includes those related entities over which the client has direct or indirect control. When the audit team knows or has reason to believe that a relationship or circumstance involving any other related entity of the client is relevant to the evaluation of the firm's independence from the client, the audit team also includes that related entity when identifying and evaluating threats to independence and applying appropriate safeguards.	
		<i>In C1 "audit client" includes review client.</i> <i>"Audit client" includes related entities of the client (unless otherwise stated), as contained in paragraph XXX).</i>	No equivalent in the current definitions section. New material. From 290.3
Audit engagement	A reasonable assurance engagement in which a professional accountant in public practice expresses an opinion whether financial statements are prepared, in all material respects (or give a true and fair view or are presented fairly, in all material respects,), in accordance with an applicable financial reporting framework, such as an engagement conducted in accordance with	A reasonable assurance engagement in which a professional accountant in public practice expresses an opinion whether financial statements are prepared, in all material respects (or give a true and fair view or are presented fairly, in all material respects,), in accordance with an applicable financial reporting framework, such as	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Item	Extant Code	Draft Restructured Code	Comments
	International Standards on Auditing. This includes a Statutory Audit, which is an audit required by legislation or other regulation.	an engagement conducted in accordance with International Standards on Auditing. This includes a Statutory Audit, which is an audit required by legislation or other regulation.	
		<i>In C1 “audit engagement” includes review engagement.</i>	No equivalent in the current definitions section. New material. From 290.3.
Audit report		<i>In C1 “audit report” includes review report.</i>	No equivalent in the current definitions section. New material. From 290.3
Audit team	<p>(a) All members of the engagement team for the audit engagement;</p> <p>(b) All others within a firm who can directly influence the outcome of the audit engagement, including:</p> <p>(i) Those who recommend the compensation of, or who provide direct supervisory, management or other oversight of the engagement partner in connection with the performance of the audit engagement including those at all successively senior</p>	<p>(a) All members of the engagement team for the audit engagement;</p> <p>(b) All others within a firm who can directly influence the outcome of the audit engagement, including:</p> <p>(i) Those who recommend the compensation of, or who provide direct supervisory, management or other oversight of the engagement partner in connection with</p>	

VERSION 4 Tranches I and II August 25, 2015

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Item	Extant Code	Draft Restructured Code	Comments
	<p>levels above the engagement partner through to the individual who is the firm's Senior or Managing Partner (Chief Executive or equivalent);</p> <p>(ii) Those who provide consultation regarding technical or industry-specific issues, transactions or events for the engagement; and</p> <p>(iii) Those who provide quality control for the engagement, including those who perform the engagement quality control review for the engagement; and</p> <p>(a) All those within a network firm who can directly influence the outcome of the audit engagement.</p>	<p>the performance of the audit engagement including those at all successively senior levels above the engagement partner through to the individual who is the firm's Senior or Managing Partner (Chief Executive or equivalent);</p> <p><i>In C1 "audit team" includes review team</i></p>	
Close family	No equivalent in the current definitions section. New material.	No equivalent in the current definitions section. New material.	
Contingent fee	A fee calculated on a predetermined basis relating to the outcome of a transaction or the result of the services performed by the firm. A fee that is established by a court or other public authority is not a contingent fee.	A fee calculated on a predetermined basis relating to the outcome of a transaction or the result of the services performed by the firm. A fee that is established by a court or other public authority is not a contingent fee.	
Direct financial interest	<p>A financial interest:</p> <p>(a) Owned directly by and under the control of an individual or entity (including those managed on a discretionary basis by others); or</p> <p>(a) Beneficially owned through a collective investment vehicle, estate, trust or other intermediary over which the individual or entity has control, or the ability to influence</p>	<p>A financial interest:</p> <p>(a) Owned directly by and under the control of an individual or entity (including those managed on a discretionary basis by others); or</p> <p>(a) Beneficially owned through a collective investment vehicle, estate, trust or other intermediary over which the individual or entity has control, or the</p>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Item	Extant Code	Draft Restructured Code	Comments
	investment decisions.	ability to influence investment decisions.	
Director or officer	Those charged with the governance of an entity, or acting in an equivalent capacity, regardless of their title, which may vary from jurisdiction to jurisdiction.	Those charged with the governance of an entity, or acting in an equivalent capacity, regardless of their title, which may vary from jurisdiction to jurisdiction.	
Engagement partner	<p>The partner or other person in the firm who is responsible for the engagement and its performance, and for the report that is issued on behalf of the firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body.</p> <p>The partner or other person in the firm who is responsible for the engagement and its performance, and for the report that is issued on behalf of the firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body.</p>	<p>The partner or other person in the firm who is responsible for the engagement and its performance, and for the report that is issued on behalf of the firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body.</p> <p>The partner or other person in the firm who is responsible for the engagement and its performance, and for the report that is issued on behalf of the firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body.</p>	
Engagement Period		The engagement period starts when the audit team begins to perform audit services. The engagement period ends when the audit report is issued. When the engagement is of a recurring nature, it ends at the later of the notification by either party that the professional relationship has terminated or the issuance of the final audit report.	New defined term from 290.30. A further definition will be prepared when Independence for Assurance Engagements is

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Item	Extant Code	Draft Restructured Code	Comments
			restructured.
Engagement quality control review	A process designed to provide an objective evaluation, on or before the report is issued, of the significant judgments the engagement team made and the conclusions it reached in formulating the report.	A process designed to provide an objective evaluation, on or before the report is issued, of the significant judgments the engagement team made and the conclusions it reached in formulating the report.	
Engagement team	<p>All partners and staff performing the engagement, and any individuals engaged by the firm or a network firm who perform assurance procedures on the engagement. This excludes external experts engaged by the firm or by a network firm.</p> <p>The term “engagement team” also excludes individuals within the client’s internal audit function who provide direct assistance on an audit engagement when the external auditor complies with the requirements of ISA 610 (Revised 2013), Using the Work of Internal Auditors.</p> <p>A professional accountant in public practice currently holding an audit appointment or carrying out accounting, taxation, consulting or similar professional services for a client.</p> <p>An individual (who is not a partner or a member of the professional staff, including temporary staff, of the firm or a network firm) or organization possessing skills, knowledge and experience in a field other than accounting or auditing, whose work in that field is used to assist the professional accountant in obtaining sufficient appropriate evidence.</p>	<p>All partners and staff performing the engagement, and any individuals engaged by the firm or a network firm who perform assurance procedures on the engagement. This excludes external experts engaged by the firm or by a network firm.</p> <p>The term “engagement team” also excludes individuals within the client’s internal audit function who provide direct assistance on an audit engagement when the external auditor complies with the requirements of ISA 610 (Revised 2013), Using the Work of Internal Auditors.</p> <p>A professional accountant in public practice currently holding an audit appointment or carrying out accounting, taxation, consulting or similar professional services for a client.</p> <p>An individual (who is not a partner or a member of the professional staff, including temporary staff, of the firm or a network firm) or organization possessing skills, knowledge and experience in a field other than accounting or auditing, whose work in that field is used to assist the professional accountant in obtaining</p>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Item	Extant Code	Draft Restructured Code	Comments
		sufficient appropriate evidence.	
Existing accountant	A professional accountant in public practice currently holding an audit appointment or carrying out accounting, taxation, consulting or similar professional services for a client.	A professional accountant in public practice currently holding an audit appointment or carrying out accounting, taxation, consulting or similar professional services for a client.	
External expert	An individual (who is not a partner or a member of the professional staff, including temporary staff, of the firm or a network firm) or organization possessing skills, knowledge and experience in a field other than accounting or auditing, whose work in that field is used to assist the professional accountant in obtaining sufficient appropriate evidence.	An individual (who is not a partner or a member of the professional staff, including temporary staff, of the firm or a network firm) or organization possessing skills, knowledge and experience in a field other than accounting or auditing, whose work in that field is used to assist the professional accountant in obtaining sufficient appropriate evidence.	
Financial interest	An interest in an equity or other security, debenture, loan or other debt instrument of an entity, including rights and obligations to acquire such an interest and derivatives directly related to such interest.	An interest in an equity or other security, debenture, loan or other debt instrument of an entity, including rights and obligations to acquire such an interest and derivatives directly related to such interest.	
Financial statements	A structured representation of historical financial information, including related notes, intended to communicate an entity's economic resources or obligations at a point in time or the changes therein for a period of time in accordance with a financial reporting framework. The related notes ordinarily comprise a summary of significant accounting policies and other explanatory information. The term can relate to a complete set of financial statements, but it can also refer to a single financial statement, for example, a balance sheet, or a statement of revenues and expenses, and	A structured representation of historical financial information, including related notes, intended to communicate an entity's economic resources or obligations at a point in time or the changes therein for a period of time in accordance with a financial reporting framework. The related notes ordinarily comprise a summary of significant accounting policies and other explanatory information. The term can relate to a complete set of financial statements, but it can also refer to a single financial statement, for example, a balance sheet, or a	

VERSION 4 Tranches I and II August 25, 2015

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Item	Extant Code	Draft Restructured Code	Comments
	related explanatory notes.	statement of revenues and expenses, and related explanatory notes.	
Financial statements on which the firm will express an opinion	In the case of a single entity, the financial statements of that entity. In the case of consolidated financial statements, also referred to as group financial statements, the consolidated financial statements.	In the case of a single entity, the financial statements of that entity. In the case of consolidated financial statements, also referred to as group financial statements, the consolidated financial statements.	
Firm	<p>(a) A sole practitioner, partnership or corporation of professional accountants;</p> <p>(b) An entity that controls such parties, through ownership, management or other means; and</p> <p>(c) An entity controlled by such parties, through ownership, management or other means.</p>	<p>(a) A sole practitioner, partnership or corporation of professional accountants;</p> <p>(b) An entity that controls such parties, through ownership, management or other means; and</p> <p>(c) An entity controlled by such parties, through ownership, management or other means.</p>	
Historical financial information	Information expressed in financial terms in relation to a particular entity, derived primarily from that entity's accounting system, about economic events occurring in past time periods or about economic conditions or circumstances at points in time in the past.	Information expressed in financial terms in relation to a particular entity, derived primarily from that entity's accounting system, about economic events occurring in past time periods or about economic conditions or circumstances at points in time in the past.	
Immediate family	A spouse (or equivalent) or dependent.	A spouse (or equivalent) or dependent	
Independence	<p>Independence is:</p> <p>(a) Independence of mind – the state of mind that permits the</p>	<p>Independence is:</p> <p>(a) Independence of mind – the state of mind that</p>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Item	Extant Code	Draft Restructured Code	Comments
	<p>expression of a conclusion without being affected by influences that compromise professional judgment, thereby allowing an individual to act with integrity, and exercise objectivity and professional skepticism.</p> <p>(b) Independence in appearance – the avoidance of facts and circumstances that are so significant that a reasonable and informed third party would be likely to conclude, weighing all the specific facts and circumstances, that a firm's, or a member of the audit or assurance team's, integrity, objectivity or professional skepticism has been compromised.</p>	<p>permits the expression of a conclusion without being affected by influences that compromise professional judgment, thereby allowing an individual to act with integrity, and exercise objectivity and professional skepticism.</p> <p>(b) Independence in appearance – the avoidance of facts and circumstances that are so significant that a reasonable and informed third party would be likely to conclude, weighing all the specific facts and circumstances, that a firm's, or a member of the audit or assurance team's, integrity, objectivity or professional skepticism has been compromised.</p>	
Indirect financial interest	A financial interest beneficially owned through a collective investment vehicle, estate, trust or other intermediary over which the individual or entity has no control or ability to influence investment decisions.	A financial interest beneficially owned through a collective investment vehicle, estate, trust or other intermediary over which the individual or entity has no control or ability to influence investment decisions.	
Key audit partner	The engagement partner, the individual responsible for the engagement quality control review, and other audit partners, if any, on the engagement team who make key decisions or judgments on significant matters with respect to the audit of the financial statements on which the firm will express an opinion. Depending upon the circumstances and the role of the individuals on the audit, "other audit partners" may include, for example, audit partners responsible for significant subsidiaries or divisions.	The engagement partner, the individual responsible for the engagement quality control review, and other audit partners, if any, on the engagement team who make key decisions or judgments on significant matters with respect to the audit of the financial statements on which the firm will express an opinion. Depending upon the circumstances and the role of the individuals on the audit, "other audit partners" may include, for example, audit partners responsible for significant subsidiaries or divisions.	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Item	Extant Code	Draft Restructured Code	Comments
Listed entity	An entity whose shares, stock or debt are quoted or listed on a recognized stock exchange, or are marketed under the regulations of a recognized stock exchange or other equivalent body.	An entity whose shares, stock or debt are quoted or listed on a recognized stock exchange, or are marketed under the regulations of a recognized stock exchange or other equivalent body.	
Network	A larger structure: (a) That is aimed at co-operation; and (b) That is clearly aimed at profit or cost sharing or shares common ownership, control or management, common quality control policies and procedures, common business strategy, the use of a common brand-name, or a significant part of professional resources.	A larger structure: (a) That is aimed at co-operation; and (b) That is clearly aimed at profit or cost sharing or shares common ownership, control or management, common quality control policies and procedures, common business strategy, the use of a common brand-name, or a significant part of professional resources.	
Network firm	A firm or entity that belongs to a network.	A firm or entity that belongs to a network	
		The independence requirements in C1 that apply to a network firm apply to any entity, such as a consulting practice or professional law practice, that meets the definition of a network firm irrespective of whether the entity itself meets the definition of a firm.	
Office	A distinct sub-group, whether organized on geographical or practice lines.	A distinct sub-group, whether organized on geographical or practice lines.	
Professional accountant	An individual who is a member of an IFAC member body.	An individual who is a member of an IFAC member body.	
		<i>In Part A and Part C, C1 and C2 the term “professional</i>	No

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Item	Extant Code	Draft Restructured Code	Comments
		<p><i>accountant” refers to professional accountants in public practice and firms of accountants in practice.</i></p> <p><i>In Part B the term “professional accountant” refers to professional accountants in business.</i></p>	equivalent in the current definitions section.
Professional accountant in business	A professional accountant employed or engaged in an executive or non-executive capacity in such areas as commerce, industry, service, the public sector, education, the not for profit sector, regulatory bodies or professional bodies, or a professional accountant contracted by such entities.	A professional accountant employed or engaged in an executive or non-executive capacity in such areas as commerce, industry, service, the public sector, education, the not for profit sector, regulatory bodies or professional bodies, or a professional accountant contracted by such entities.	
Professional accountant in public practice	A professional accountant, irrespective of functional classification (for example, audit, tax or consulting) in a firm that provides professional services. This term is also used to refer to a firm of professional accountants in public practice.	A professional accountant, irrespective of functional classification (for example, audit, tax or consulting) in a firm that provides professional services. This term is also used to refer to a firm of professional accountants in public practice.	
Professional activity	An activity requiring accountancy or related skills undertaken by a professional accountant, including accounting, auditing, taxation, management consulting, and financial management.	An activity requiring accountancy or related skills undertaken by a professional accountant, including accounting, auditing, taxation, management consulting, and financial management	
Professional services	Professional activities performed for clients.	Professional activities performed for clients.	
Public interest entity	<p>(a) A listed entity; and</p> <p>(b) An entity:</p>	<p>(a) A listed entity; and</p> <p>(b) An entity:</p>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Item	Extant Code	Draft Restructured Code	Comments
	<p>(i) Defined by regulation or legislation as a public interest entity; or</p> <p>(ii) For which the audit is required by regulation or legislation to be conducted in compliance with the same independence requirements that apply to the audit of listed entities. Such regulation may be promulgated by any relevant regulator, including an audit regulator.</p>	<p>(i) Defined by regulation or legislation as a public interest entity; or</p> <p>(ii) For which the audit is required by regulation or legislation to be conducted in compliance with the same independence requirements that apply to the audit of listed entities. Such regulation may be promulgated by any relevant regulator, including an audit regulator.</p>	
		<p><i>Firms and member bodies are encouraged to determine whether to treat additional entities, or certain categories of entities, as public interest entities because they have a large number and wide range of stakeholders. Factors to be considered include:</i></p> <ul style="list-style-type: none"> <i>The nature of the business, such as the holding of assets in a fiduciary capacity for a large number of stakeholders. Examples may include financial institutions, such as banks and insurance companies, and pension funds;</i> <i>Size; and</i> <p><i>Number of employees.</i></p>	Formerly located in 290.26
Related entity	<p>An entity that has any of the following relationships with the client:</p> <p>(a) An entity that has direct or indirect control over the client if the client is material to such entity;</p> <p>(b) An entity with a direct financial interest in the client if that</p>	<p>An entity that has any of the following relationships with the client:</p> <p>(a) An entity that has direct or indirect control over the client if the client is material to such entity;</p> <p>(b) An entity with a direct financial interest in the</p>	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Item	Extant Code	Draft Restructured Code	Comments
	<p>entity has significant influence over the client and the interest in the client is material to such entity;</p> <p>(c) An entity over which the client has direct or indirect control;</p> <p>(d) An entity in which the client, or an entity related to the client under (c) above, has a direct financial interest that gives it significant influence over such entity and the interest is material to the client and its related entity in (c); and</p> <p>(e) An entity which is under common control with the client (a “sister entity”) if the sister entity and the client are both material to the entity that controls both the client and sister entity.</p>	<p>client if that entity has significant influence over the client and the interest in the client is material to such entity;</p> <p>(c) An entity over which the client has direct or indirect control;</p> <p>(d) An entity in which the client, or an entity related to the client under (c) above, has a direct financial interest that gives it significant influence over such entity and the interest is material to the client and its related entity in (c); and</p> <p>(e) An entity which is under common control with the client (a “sister entity”) if the sister entity and the client are both material to the entity that controls both the client and sister entity.</p>	
Review client	An entity in respect of which a firm conducts a review engagement.	An entity in respect of which a firm conducts a review engagement.	
Review engagement	An assurance engagement, conducted in accordance with International Standards on Review Engagements or equivalent, in which a professional accountant in public practice expresses a conclusion on whether, on the basis of the procedures which do not provide all the evidence that would be required in an audit, anything has come to the accountant’s attention that causes the accountant to believe that the financial statements are not prepared, in all material respects, in accordance with an applicable financial reporting framework.	An assurance engagement, conducted in accordance with International Standards on Review Engagements or equivalent, in which a professional accountant in public practice expresses a conclusion on whether, on the basis of the procedures which do not provide all the evidence that would be required in an audit, anything has come to the accountant’s attention that causes the accountant to believe that the financial statements are not prepared, in all material respects, in accordance with an applicable financial reporting framework.	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Item	Extant Code	Draft Restructured Code	Comments
Review team	<p>(a) All members of the engagement team for the review engagement; and</p> <p>(b) All others within a firm who can directly influence the outcome of the review engagement, including:</p> <ul style="list-style-type: none"> (i) Those who recommend the compensation of, or who provide direct supervisory, management or other oversight of the engagement partner in connection with the performance of the review engagement including those at all successively senior levels above the engagement partner through to the individual who is the firm's Senior or Managing Partner (Chief Executive or equivalent); (ii) Those who provide consultation regarding technical or industry specific issues, transactions or events for the engagement; and (iii) Those who provide quality control for the engagement, including those who perform the engagement quality control review for the engagement; and <p>(c) All those within a network firm who can directly influence the outcome of the review engagement.</p>	<p>(a) All members of the engagement team for the review engagement; and</p> <p>(b) All others within a firm who can directly influence the outcome of the review engagement, including:</p> <ul style="list-style-type: none"> (i) Those who recommend the compensation of, or who provide direct supervisory, management or other oversight of the engagement partner in connection with the performance of the review engagement including those at all successively senior levels above the engagement partner through to the individual who is the firm's Senior or Managing Partner (Chief Executive or equivalent); (ii) Those who provide consultation regarding technical or industry specific issues, transactions or events for the engagement; and (iii) Those who provide quality control for the engagement, including those who perform the engagement quality control review for the engagement; and <p>(c) All those within a network firm who can directly influence the outcome of the review engagement.</p>	
Special purpose	Financial statements prepared in accordance with a financial reporting framework designed to meet the financial information	Financial statements prepared in accordance with a financial reporting framework designed to meet the	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

Item	Extant Code	Draft Restructured Code	Comments
financial statements	needs of specified users.	financial information needs of specified users	
Those charged with governance	The person(s) or organization(s) (for example, a corporate trustee) with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity. This includes overseeing the financial reporting process. For some entities in some jurisdictions, those charged with governance may include management personnel, for example, executive members of a governance board of a private or public sector entity, or an owner-manager.	The person(s) or organization(s) (for example, a corporate trustee) with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity. This includes overseeing the financial reporting process. For some entities in some jurisdictions, those charged with governance may include management personnel, for example, executive members of a governance board of a private or public sector entity, or an owner-manager.	

Table of References to Terms Described in the Code			New table
Term		Reference to where the described term is explained	
Conceptual framework		Section 120.XXX AX	
Fundamental Principles	Integrity	R100.1	

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

	Objectivity	R100.1
	Professional Competence	R100.1
	Confidentiality	R100.1
	Professional Behavior	R100.1
Reasonable and Informed Third Party		120.XXX AX
Safeguards		120.XXX AX
Threats	Self Interest	120.XXX AX
	Self-review	120.XXX AX
	Advocacy	120.XXX AX
	Familiarity	120.XXX AX

Mapping Table – Draft Restructured Code Tranches I and II
IESBA Meeting (September 2015)

	Intimidation	120.XXX AX
--	--------------	------------