

**Meeting:** IESBA

**Meeting Location:** New York

**Meeting Date:** September 15–16, 2015

## Agenda Item

# 3

### Safeguards

#### Objectives of Agenda Item

1. To discuss issues and related Task Force proposals, and to consider a first-read draft of proposed revised provisions in Sections 100<sup>1</sup> and 200<sup>2</sup> of the Code as these relate to safeguards.

#### Task Force

2. Members:
  - Gary Hannaford, Chair, IESBA Member
  - Wui San Kwok, IESBA Deputy Chair
  - Jens Poll, IESBA Technical Advisor
  - Sylvie Soulier, IESBA Member
  - Don Thomson, IESBA Member

#### Activities Since Last IESBA Discussion

3. The Task Force held two physical meetings and three teleconferences to discuss comments received at the June/July 2015 IESBA meeting, and to develop the agenda materials.
4. The Task Force plans to seek input from the IESBA Consultative Advisory Group (CAG) on key issues at the September 2015 CAG meeting. The Task Force Chair will brief the Board on the outcome of the CAG discussion at the meeting.
5. The Task Force will continue to work closely with the Structure Task Force in support of coordinating the Safeguards and the Structure of the Code projects.

#### Safeguards Pertaining to Non-Assurance Services (NAS)

6. The Safeguards Project Proposal addressed the need to consider revisions to the provisions in Section 290<sup>3</sup> of the Code pertaining to NAS. Because the revisions to Sections 100 and 200 are likely to impact the nature and extent of the changes to the NAS provisions in Section 290, the Task Force is recommending that consideration of potential revisions to those NAS provisions be progressed in

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<sup>1</sup> Section 100, *Introduction and Fundamental Principles*

<sup>2</sup> Section 200, *Introduction* (Part B – Professional Accountants in Public Practice)

<sup>3</sup> Section 290, *Independence – Audit and Review Engagements*

Phase II of the Safeguards Project. Also, the Task Force is of the view that similar to the approach being taken by the Structure Task Force, the consideration of revisions to Part C<sup>4</sup> of the Code with respect to safeguards should be deferred pending the completion of the Part C project.

7. The Task Force is therefore envisaging that the December 2015 IESBA meeting would be the first opportunity for the Board to consider the Task Force's proposals regarding Section 290. The Task Force anticipates Board consideration of the ED of Phase II with a view to approval in the second half of 2016.

**Matters for Consideration**

1. IESBA members are asked for views relating to the specific deliverables that will be covered under Phase II (i.e., only Section 290, or Section 290 and all other sections of the Code other than Sections 100 and 200).
2. Do IESBA members agree to the proposed timing for approval of Phase II?

**Material Presented**

Agenda Item 3-A	Safeguards – Issues and Task Force Proposals
Agenda Item 3-B	Safeguards – Proposed Revisions to Sections 100 and 200
Agenda Item 3-C	Safeguards – Proposed Revisions to Sections 100 and 200 (Marked from Extant)

**Action Requested**

8. IESBA members are asked for views on the matters raised in **Agenda Item 3-A**, and for feedback on the proposed changes to Sections 100 and 200 in **Agenda Item 3-B**.

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<sup>4</sup> Part C addressing Professional Accountants in Business (PAIBs)