

Meeting: IESBA
Meeting Location: New York
Meeting Date: June 27-29, 2016

Agenda Item 2

Structure of the Code

Objectives of Agenda Item

1. To:
 - (a) Consider various matters raised by respondents to the December 2015 Exposure Draft, *Improving the Structure of the Code of Ethics for Professional Accountants – Phase 1* (ED-1).
 - (b) Provide input on the Task Force's preliminary proposals addressing those matters.
 - (c) To consider the Task Force's proposals for the material to be included in Exposure Draft 2 (ED-2) as part of Phase 2.

The Task Force would welcome any comments on the ED-1 and ED-2 material in advance of the meeting. Please email them to elizabethhiggs@ethicsboard.org

Task Force

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

Activities Since Last IESBA Discussion

3. Since the release of ED-1, IESBA representatives' outreach activities with various stakeholders included discussions about the IESBA's proposed restructured Code. For example, IESBA representatives participated in the IFAC Small and Medium Practice Committee and the IESBA Consultative Advisory Group (CAG) March 2016 meetings.
4. During the March 2016 CAG meeting, the CAG considered a report back on the responses to comments made by CAG representatives during its September 2015 meeting. The Task Force did not present any other substantive material to the CAG at this meeting because ED-1 was still subject to exposure.
5. Members of the Task Force met once in person and twice via teleconference to consider:

respondents' comments on ED-1 and agree on preliminary proposals in response to comments received; proposed ED-2 text; and to develop the papers for this meeting.

6. At the June 15, 2016 National Standard Setters (NSS) Meeting participants received preliminary highlights of the Task Forces issues and proposals concerning the responses to ED-1. The IESBA will receive an oral update of the comments made during that meeting.

Material Presented

Phase 1

Agenda Item 2-A Structure of the Code – Issues and Task Force Proposals ED-1

Phase 2

Agenda Item 2-B Structure of the Code – Issues and Task Force Proposals ED-2

Agenda Item 2-C Proposed Text – Section 800¹ Mark-up from March 2016 IESBA Meeting; Section 800 Clean Version; and certain material in C2, Section 900² Clean

Agenda Item 2-D Mapping Table for Section 800 and certain material in C2, Section 900

Draft to be Discussed at the Meeting

7. The Task Force proposes that **Agenda Item 2-C** be discussed during the meeting. For the discussion of Section 800, the marked-up from the March 2016 IESBA discussion will be referenced.

Action Requested

Phase 1

8. IESBA members are asked for views on the matters raised in **Agenda Item 2-A** in respect of:
 - (a) Respondents' comments on ED-1; and
 - (b) The Task Force's preliminary proposals in response to the comments from respondents.

Phase 2

9. IESBA members are asked for views on **Agenda Items 2-B** and the Task Force's proposals set out in **Agenda Item 2-C**.

¹ Section 800, *Reports that Include a Restriction on Use and Distribution* (Section 290.500–290.514, *Reports that Include a Restriction on Use and Distribution* of the extant Code)

² C2, *Independence – Other Assurance Engagements*, Section 900, *Other Assurance Engagements* (Section 291, *Independence – Other Assurance Engagements* of the extant Code)