

Meeting: IESBA

Meeting Location: New York, USA

Meeting Date: June 27-29, 2016

Agenda Item

7

Review of Part C of the Code

Restructure of Phase 1 Close-Off Document and Phase 2 Issues

Objectives of Agenda Item

1. The IESBA is asked to consider:
 - (a) A second-read of a draft of the restructured text of its March 2016 close-off document, *Changes to Part C of the Code Addressing Preparation and Presentation of Information and Pressure to the Breach of the Fundamental Principles* (Part C Phase 1 close-off document).¹
 - (b) A second read of the Task Force's proposed text to clarify that the provisions in Part C² of the extant Code might be applicable to professional accountants in public practice (PAPPs).
 - (c) Issues and Task Force's proposals relating to the enhancements of the provisions in the extant Code pertaining to inducements (i.e., Section 350).³
 - (d) Issues arising from developing safeguards-specific conforming amendments to the Part C Phase 1 close-off document.

Task Force

2. Members:
 - Helene Agélii, Chair, IESBA Member
 - Joyce Evans, IFAC Professional Accountants in Business (PAIB) Committee Member
 - Claire Ighodaro, IESBA Member

¹ The Part C Phase 1 close-off document was approved by IESBA at its November/ December 2015 meeting, and the Public Interest Oversight Board approved confirmation of due process during its March 2016 meeting. The close-off document was developed using the drafting conventions in the extant Code, and includes changes to the following sections of the extant Code:

- Section 320, *Preparation and Presentation of Information*;
- Section 370, *Pressure to Breach the Fundamental Principles*;
- Section 300, *Introduction*;
- Section 310, *Conflicts of Interest*;
- Section 330, *Acting with Sufficient Expertise*; and
- Section 340, *Financial Interests, Compensation and Incentives Linked to Financial Reporting and Decision Making*.

² Extant Part C, *Professional Accountants in Business*

³ Extant Section 350, *Inducements*

- Robert Juenemann, IESBA Member
- Lisa Snyder, IESBA Member

Activities since Last IESBA Discussion

3. The Task Force held one physical meeting and two teleconferences to prepare the agenda materials for this meeting.
4. The Chairs and Staff the Part C, Safeguards, and Structure Task Forces met as needed via teleconference to develop an approach, and to provide input to the safeguards-specific conforming amendments (see Agenda Item 7-F).

Material Presented

Agenda Item 7-A	Issues Pertaining to Restructuring and Task Force Proposals
Agenda Item 7-B	Proposed Restructured Part B, <i>Professional Accountants in Business</i> (Clean)
Agenda Item 7-B-1	Proposed Restructured Part B, <i>Professional Accountants in Business</i> (Marked from March 2016 IESBA Discussion)
Agenda Item 7-C	Part C Phase 1 – Mapping Table
Agenda Item 7-D	Issues Paper – Applicability of Part C Provisions to PAPPs
Agenda Item 7-E	Issues Paper – Section 350, <i>Inducements</i>
Agenda Item 7-F	Issues Paper – Safeguards-specific Conforming Amendments

Action Requested

5. IESBA members are asked to consider the matters set out in **Agenda Item 7-A, 7-D, 7-E and 7-F**.

Forward Timeline

6. For information, the updated forward timeline, as per the for the project over the next 12 months is as follows:⁴

Indicative Timing	Milestone
Phase 1	
June 2016	Approve restructured text of Phase 1
March 2017	First read of responses to restructured text

⁴ See December 2015 IESBA Update, *Restructuring the Code of Ethics for Professional Accountants*

Review of Part C of the Code (Cover Note)
IESBA Meeting (June 2016)

Indicative Timing	Milestone
Phase 2	
June 2016	Issues
September 2016	First read
December 2016	Approve ED Phase 2