

**DRAFT Minutes of the 53rd Meeting of the
INTERNATIONAL ETHICS STANDARDS BOARD FOR ACCOUNTANTS**

Held on September 19-22, 2017 in New York, USA

Voting Members

Present: Stavros Thomadakis (Chairman)
Richard Fleck (Deputy Chair)
Helene Agélii
Michael Ashley
Brian Caswell
Hironori Fukukawa
Kim Gibson
Gary Hannaford
Liesbet Haustermans
Robert Juenemann (Days 1-3 only)
Chishala Kateka
Caroline Lee
Stefano Marchese
Ian McPhee
Reyaz Mihular
Patricia Mulvaney
Sylvie Soulier

Technical Advisors

Saadiya Adam (Mr. Mihular)
James Barbour (Mr. Ashley)
Denise Canavan (Ms. Haustermans)
David Clark (Ms. Soulier)
Colleen Dunning (Ms. Lee)
Ellen Gorla (Mr. Caswell)
Gina Maldonado (Kim Gibson)
Nigyar Mamedova (Mr. Juenemann)
Andrew Pinkney (Ms. Mulvaney)
Jens Poll (Mr. Hannaford)
Tone Maren Sakshaug (Ms. Agélii)
Eva Tsahuridu (Mr. McPhee)
Toshihiro Yasada (Mr. Fukukawa)

Apologies:

Elbano De Nuccio (Mr. Marchese)
Michael Dorfman (Ms. Kateka)

Non-Voting Observers

Present: Kristian Koktvedgaard (IESBA Consultative Advisory Group (CAG) Chair), Takuya Emoto (Japanese Financial Services Agency (FSA))

Public Interest Oversight Board (PIOB) Observer

Present: Aileen Pierce

IESBA Technical Staff

Present: James Gunn (Managing Director, Professional Standards), Ken Siong (Technical Director), Diane Jules (Deputy Director), Geoffrey Kwan and John Morrow

1. Opening Remarks

WELCOME AND INTRODUCTIONS

Dr. Thomadakis welcomed all participants and public observers to the meeting.

Among other matters, Dr. Thomadakis highlighted the following in his briefing to the Board:

- The inaugural joint International Auditing and Assurance Standards Board (IAASB)–IESBA public session to be held the following day.
- Feedback from the September 2017 IESBA CAG meeting held in Madrid, which included a joint IAASB-IESBA CAG session.
- Upcoming Board outreach activities, including presentations at the plenary meeting of the Committee of European Audit Oversight Bodies (CEAOB), the annual meeting of the National Association of State Boards of Accountancy (NASBA), the Ethics Film Festival in Singapore and meetings with the IFAC Small and Medium Practices (SMP) Committee (SMPC) and the Forum of Firms.
- Board publications that were recently issued, including the tripartite IAASB–International Accounting Education Standards Board (IAESB)–IESBA joint Professional Skepticism Working Group (PSWG) publication, [*Toward Enhanced Professional Skepticism*](#) and the Exposure Draft, [*Proposed Revisions to the Code Pertaining to the Offering and Accepting of Inducements*](#).

Dr. Thomadakis introduced Ms. Gorla, new Technical Advisor to Mr. Caswell, and Mr. Morrow, new IESBA Manager, Standards Development and Technical Projects.

Dr. Thomadakis paid tribute to Ms. Snyder who had tendered her resignation from the Board in July because she had accepted a new position in public practice. Dr. Thomadakis thanked her on behalf of the Board for her contributions as a Technical Advisor since its inception in 2006, and as a Board member since 2016. Dr. Thomadakis also bid farewell to Mr. Evans who was a Technical Advisor to Ms. Snyder and Mr. Caswell; and to Mr. Arteagoitia, the observer from the European Commission, who had left the Commission at the end of August.

The Board approved the minutes of the June 2017 meeting as presented.

2. Structure – Phase 2

Mr. Thomson introduced the topic by reporting on the Task Force's activities since the June 2017 Board meeting. Among other matters, he briefed the Board on the Task Force's proposed revisions to the Phase 2 text in light of the significant comments received from respondents on the Exposure Draft for Phase 2 of the project, [*Improving the Structure of the Code of Ethics for Professional Accountants—Phase 2*](#) (Structure ED-2). He noted that as instructed by the Board in June, the Task Force had held teleconferences with representatives of certain regulatory organizations (the International Organization of Securities Commission's (IOSCO's) Committee 1, and the UK Financial Reporting Council) who had responded to Structure ED-2 in order to further understand their comments and to convey the Task Force's proposed responses. He also briefed the Board on the feedback from the September 2017 CAG meeting. He noted that the CAG had considered the Task Force's proposed revisions to the text in light of the feedback received on Structure ED-2 and expressed support for the IESBA's plans to finalize the project in December 2017.

As part of its deliberations, the IESBA considered a first draft of the revisions to the text of Structure ED-2 and the consistency-type refinements to the [*agreed-in-principle text*](#) for Phase 1 of the project. Some of the

topics discussed included: the usage of the terms “may” and “might” and their descriptions in the restructured Code; disproportionate outcomes and conflict resolution; and distinguishing between “firm” versus “network firm,” primarily in the International Independence Standards.

REACTIONS TO REVISIONS TO STRUCTURE ED-2

IESBA members broadly supported the direction of the Task Force's proposed revisions to the text of Structure ED-2, as well as the various consistency-type refinements to the agreed-in-principle text relating to Phase 1 of the project. During the meeting, in addition to the matters raised below for the Task Force's further consideration, the IESBA discussed and agreed to various editorial suggestions to improve the proposed revisions.

Consistency Review

- The Board asked that the Task Force liaise with the other Task Forces to undertake a consistency review of the various proposed texts to be included in the restructured Code before the December 2017 meeting. The Board also asked that a compilation of the various proposed texts to be included in the restructured Code be presented as part of the December 2017 meeting materials.
- A few IESBA members questioned the rationale for using two sets of headings titled “All Audit Clients” and “General” in the same sections of the Code, in particular in Section 600,¹ to achieve what they envisioned to be a similar objective. These IESBA members agreed that the Code should be clear about which provisions apply in all circumstances and to all audit clients versus those that apply to audits of public interest entities (PIEs) and non-PIEs only.

Reference to Professional Judgment in the Code

- Some IESBA members pointed to the overarching requirement in the Code to exercise professional judgment in the conceptual framework and questioned whether that requirement should be repeated elsewhere in the Code (e.g., in paragraph R310.9).²

EFFECTIVE DATE

Mr. Thomson reviewed the Board's position with regard to the effective date for the restructured Code's as set out in the January 2017 IESBA Update, [Towards a Restructured International Code of Ethics](#). He also summarized the Task Force's views with respect to how the Board might take into account some of the comments raised by certain respondents to Structure ED-2 and the Exposure Draft for Phase 2 of the Safeguards project, [Proposed Revisions Pertaining to Safeguards in the Code—Phase 2 and Related Conforming Amendments](#) (Safeguards ED-2), and the planned timing to finalize the revised inducement provisions that are currently out for exposure through December 8, 2017.

The following preliminary views were shared:

- Some IESBA members cautioned against pushing back the proposed effective date in light of the views expressed by some stakeholders, in particular those within the regulatory community, that the improvements in the restructured Code should be released to the marketplace at the earliest

¹ Proposed restructured Code, International Independence Standards, Part 4A, Section 600, *Provision of Non-assurance Services to an Audit Client*

² Proposed restructured Code, Part 3 – Professional Accountants in Public Practice, Section 310, *Conflicts of Interest*

opportunity. Those members emphasized that the restructured Code contains several substantive improvements to the Code – and are not just “restructuring changes.” For example, they pointed out that pushing back the effective date for the restructured Code would delay when the enhancements resulting from Phase 1 of the Part C project as well as the Safeguards project would become effective. It was also noted that the Board should provide a similar time-frame for adoption and implementation to what has been historically provided for other IESBA pronouncements.

- Other IESBA members noted that pushing back the effective date from June 15, 2019 to December 15, 2019 might be an appropriate response to those respondents to Safeguards ED-2 who have requested more time for translation and implementation of the various changes to the Code.

The IESBA agreed to reflect on the matter further and make a final determination at the December 2017 meeting.

E-CODE

Mr. Thomson provided an update regarding the Task Force’s thinking with respect to the e-Code in light of its work. He explained that the Task Force believes that there will need to be further consideration of how best to reflect the enhancements to the restructured Code in the electronic version of the extant Code currently available on the IESBA’s [website](#).

The Board agreed that consideration of this work would commence after the IESBA’s approval of the restructured Code.

WAY FORWARD

Mr. Siong asked the Task Force whether it believed that there were any substantive matters that might need to be considered with the Board via teleconference in advance of its December 2017 meeting. After some discussion, the Task Force agreed to report back to the Board via email after its October 2017 Task Force meeting.

The IESBA asked the Task Force to present the final drafts of the texts of Phases 1 and 2 of the Structure project for consideration with a view to approval at the December 2017 IESBA meeting.

3. Safeguards – Phase 2

Mr. Hannaford introduced the topic, noting the objectives of the session. He informed the Board that certain proposals in Safeguards ED-2 were developed jointly with the Structure Task Force and that the Safeguards Task Force had taken into account the Board’s input from its June 2017 meeting in developing the further revisions to Safeguards ED-2. Mr. Hannaford briefed the Board on the outcome of the Task Force’s July 2017 teleconferences with representatives of certain regulatory organizations (the International Forum of Independent Audit Regulators, IOSCO C1, and the UK Financial Reporting Council) who had responded to the Safeguards Exposure Drafts, and the SMPC. Mr. Hannaford also summarized the feedback from the September 2017 CAG meeting.

REACTIONS TO REVISIONS TO SAFEGUARDS ED-2

IESBA members broadly supported the direction of the Task Force’s proposed revisions to Safeguards ED-2. During the meeting, in addition to the matters raised below for the Task Force’s further consideration, the IESBA discussed and agreed to various editorial suggestions to improve the proposed revisions.

Comments on Phase 1 of the Project

With respect to the feedback received from respondents to Safeguards ED-2 on Phase 1 of the project, the Board agreed that only consistency-type refinements should be made to the agreed-in-principle text. In particular, the Board agreed with the Task Force that substantive revisions should not be made to the enhanced conceptual framework.

Prohibition of Certain Recruiting Services

For audits of PIEs, the extant Code includes a prohibition for providing recruiting services to audit clients that involve searching for or seeking out candidates, or undertaking reference checks of prospective candidates with respect to the following positions:

- A director or officer of the entity; or
- A member of 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.

The IESBA had proposed to extend this prohibition for audits of all entities. After extensive deliberation of respondents' comments on Safeguards ED-2 and the concerns raised by the SMPC in its comment letter on the agenda material in advance of the September 2017 meeting, the Board reaffirmed its decision to extend the prohibition as proposed in Safeguards ED-2. However, in recognition of the concerns raised by the SMPC and some respondents, the Board agreed to:

- Include new guidance to describe recruiting services more broadly to emphasize the wide range of services that might be provided.
- Establish a new requirement similar to the requirements included in the Internal Audit and IT subsections of Section 600 to explain the actions that the firm must take when providing a permissible recruiting service.
- Re-order the provisions to enhance their readability and flow.
- Clarify the types of recruiting services that do not usually create threats and indicate those might involve assuming management responsibilities. This involves adding subheadings to emphasize the types of recruiting services that are prohibited.

Appropriateness and Effectiveness of Safeguards

After due Board deliberation of the feedback from respondents to Safeguards ED-2, the following were raised for the Task Force's further consideration:

- In light of the feedback from some regulators on Safeguards ED-2, adding more guidance to explain how a professional accountant determines that an action is appropriate and effective in reducing a threat to an acceptable level, and therefore that action would qualify as a safeguard.
- For each section of the Code, to revisit the example of actions that might be safeguards to ensure that they are appropriate in addressing the specific threats identified given the particular facts and circumstances described.
- To review the consistency of the provisions relating to advocacy threats. It was noted in particular that in some sections, examples of actions that might be safeguards were provided whereas in other sections, there was none. For example, with respect to the non-assurance services (NAS) section of

the Code, further guidance might be needed to explain how to address advocacy threats created from providing valuation services.

- With respect to advocacy threats, to review the provisions relating to evaluating and addressing such threats across the Code to determine their appropriateness in light of the specific facts and circumstances described.

WAY FORWARD

Mr. Siong asked the Task Force whether it believed that there were any substantive matters that might need to be considered with the Board via teleconference in advance of its December 2017 meeting. After some discussion, the Task Force agreed to report back to the Board via email after its October 2017 Task Force meeting.

The Board asked the Task Force to present the final drafts of the texts of Phases 1 and 2 of the Safeguards project for consideration with a view to approval at the December 2017 IESBA meeting.

4. NOCLAR Restructuring

Mr. Fleck summarized the feedback received on proposed Sections 260³ and 360⁴ in the light of comments received from respondents on the restructured NOCLAR text included in Structure ED-2. He then explained the Task Force's proposed revisions that were developed in close coordination with the Structure Task Force.

The Board was generally supportive of the Task Force's proposals. After due deliberation, the Board also agreed to a number of structural and editorial refinements.

WAY FORWARD

The Board asked the Task Force to present a final draft of the restructured text, incorporating any final structure- or safeguards-related consistency refinements, for consideration with a view to approval at the December 2017 IESBA meeting.

5. Review of Part C of the Code – Applicability

Ms. Agélíi introduced the topic, noting the purpose of the session to discuss the Task Force's revisions to the proposed text (applicability paragraphs) in the Exposure Draft, [*Proposed Revisions to Clarify the Applicability of Provisions in Part C of the Extant Code to Professional Accountants in Public Practice*](#) (Applicability ED). She explained that in light of the feedback from the June 2017 Board discussion, the Task Force had reverted to many of the initial proposals in the Applicability ED and that the revised proposals in the September 2017 draft were much closer to the ED proposals than in the June 2017 draft.

Ms. Agélíi noted that the CAG Representatives were generally supportive of the Task Force's revisions and did not raise any substantive issues at the September 2017 CAG meeting. She also noted that the SMPC did not have substantive comments in relation to the revisions, but had flagged that the consequences of the proposed text might not yet have been fully considered by some of its constituents.

³ Proposed restructured Code, Part 2, Professional Accountants in Business, Section 260, *Responding to Non-Compliance with Laws and Regulations*

⁴ Proposed restructured Code, Part 3, Section 360, *Responding to Non-Compliance with Laws and Regulations*

FEEDBACK ON TASK FORCE'S PROPOSALS

The IESBA generally supported the Task Force's proposed revisions, including those relating to the project scope, and the nature of the examples to illustrate how the Applicability provisions in Part 2 of the restructured Code would operate in the context of the work of professional accountants in public practice (PAPPs).

Among other matters, the following were raised during the Board deliberations:

Direct Application to Client Services and Client Relationship

Ms. Agéllii noted that two provisions in proposed Sections 220 and 270 deal with situations not only within the employing organization but also outside the organization. The Board supported the Task Force's conclusion that the proposed requirement paragraphs as drafted meant that provisions in extant Part C would apply to PAPPs when they are performing professional services for clients, and to their client relationships.

The Board acknowledged that some respondents might not have considered such direct application of Part C in considering the Applicability ED, given that this point was not emphasized in the accompanying Explanatory Memorandum. However, the Board agreed that clarification did not warrant re-exposure because it did not change the substance of the proposals in Applicability ED. The Board agreed that an explanation for its decision on this issue should be included in the Basis for Conclusions and that consideration should be given to including an example.

Contractors

The Board agreed with the Task Force's view that the scope of the proposed requirement paragraphs should cover individual professional accountants who work as contractors for firms, and that contractual relationships should be expressly stated in the Code. It was noted that the use of contractors is increasingly common in the emerging workforce of the future, and therefore should be captured by the applicability paragraphs.

An IESBA member suggested that the scope of the applicability paragraphs should be broadened to include not only "contractors" but also other types of the emerging work arrangements such as self-employed. Another IESBA member noted that whilst the Code should recognize emerging developments in the workforce, further work is needed to determine how best to explain those arrangements in the Code, including those of contractors.

Applicability of Extant Part B to PAIBs

Ms. Agéllii noted that, at the Board's request during its June 2017 meeting, the Task Force had considered the issue of whether the proposals should also include applicability of extant Part B to professional accountants in business (PAIBs). She noted that the Task Force had concluded that this issue falls outside the project's scope.

Illustrative Examples

The Board supported the Task Force's proposals to replace the specific example in the Applicability ED with four shorter examples covering different sets of circumstances. The Board, however, asked that the Task Force consider a number of editorial refinements to the examples. It was also suggested that the Task

Force consider whether to include an example to clarify that some provisions in extant Part C would apply to situations when PAPPs are performing professional services for clients and to their client relationships.

Titles of Parts 2 and 3

The Board supported the Task Force's recommendation that the proposed titles for Parts 2 and 3 be retained.

WAY FORWARD

The Board asked that the Task Force present a final draft of the applicability provisions for consideration with a view to approving them at the December 2017 IESBA meeting.

6. Long Association (LA) Restructuring

Mr. Fleck introduced the topic by summarizing the project status. He then highlighted the main areas of focus for the Board, including the matter of whether to explicitly broaden the scope of the prohibition on an individual acting as "client relationship partner" for the firm during the cooling-off period to include network firms; and the proposed effective date for the LA provisions.

The Board was generally supportive of the Task Force's proposals, subject to any further structure- or safeguard-related refinements that might result from the further work of the Structure and Safeguards Task Forces.

Among others, the following substantive matters were raised:

CONSISTENCY CHANGES ARISING FROM THE STRUCTURE PROJECT

Use of "Firm" Versus "Network Firm"

In relation to the prohibition on an individual acting as "client relationship partner" for the firm during the cooling-off period, the Board deliberated whether a presumption that "firm" includes "network firm" should apply when the matter is not addressed in the extant Code. After due deliberation, the Board agreed that the scope of the prohibition should encompass network firms on the grounds that the concept of "firm" in the extant Code is pre-defined to include a network firm. Changes were therefore made to paragraphs R540.20(c) and 540.20 A1. The Board asked that the rationale for its decision be included in the Basis for Conclusions for the Structure project.

Other Matters

During the meeting, the Board agreed to some refinements put forward by the Structure Task Force to the proposed texts to achieve drafting consistency across the various sections in the restructured Code.

EFFECTIVE DATE

Mr. Siong introduced the topic by summarizing the transitional provisions that were included in the January 2017 IESBA Update. He then summarized the feedback from respondents to Structure ED-2, noting that while many respondents supported the effective date, several of them were concerned about a perceived two-track approach given the different effective date proposed for the restructured Code (June 15, 2019). He added that the concerns centered on perceived complications in implementing two sets of changes in quick succession, particularly the perceived burden that this would place on smaller firms, and the merit of adopting a single effective date for consistency and simplicity.

The Board had a general discussion about the effective date for the restructured Code in conjunction with the Structure project (see related minutes in the Structure section above). The Board agreed to determine the effective date for the restructured Code at the December 2017 meeting.

WAY FORWARD

The Board asked that the Task Force present a final draft of the restructured text, incorporating any final structure- or safeguards-related changes, for consideration with a view to approval at the December 2017 meeting.

7. Professional Skepticism and Professional Judgment

Mr. Fleck introduced the topic by summarizing the significant issues raised by respondents to the May 2017 Exposure Draft (ED), [*Proposed Application Material Relating to Professional Skepticism and Professional Judgment*](#) (i.e., the short-term PS project). He also briefed the Board on the feedback from the September 2017 CAG meeting, as well as the comments raised by SMPC on the Board agenda material.

MATTERS RELATING TO THE SHORT-TERM PROJECT

The IESBA broadly supported the direction of the changes to the proposed application material in response to the feedback from respondents, subject to consideration of editorial suggestions made by IESBA members and the following matters:

- In relation to the PS application material:
 - Mr. Koktvedgaard noted that the CAG had expressed general support for progressing the short-term PS project. In relation to the proposed text, he noted that some CAG representatives had questioned the description of the relationship between PS and the fundamental principles. They were of the view that that description should emphasize that the relationship between the concepts is two-way and that the proposed text should explain how exercising PS supports compliance with the fundamental principles.
 - An IESBA member suggested that the Task Force revisit how it had drafted each example to demonstrate how compliance with the fundamental principles of integrity, objectivity, and professional competence and due care supports the exercise of PS to ensure alignment and consistency with the descriptions of the fundamental principles in Section 110 of the Code. It was noted that readers may misinterpret the examples as drafted as being descriptions of the fundamental principles.
- In relation to the professional judgment application material, it was suggested that the Task Force consider whether the description of the term “professional judgment” has been fully aligned with that in the IAASB’s standards.

MATTERS RELATING TO THE LONGER-TERM PROJECT

Mr. Fleck noted that although the Board did not solicit views about its longer-term initiative in the ED, many respondents had taken the opportunity to share views about whether the concept of PS should be applicable to all professional accountants. He summarized the feedback, noting that the majority respondents who commented believed that PS should apply to all professional accountants. He added that there was also a strong contrary view expressed by a few respondents who continue to caution against potential unintended consequences if the IESBA were to extent the applicability of PS to all PAs.

Mr. Fleck summarized the CAG's views in relation to the longer-term initiative, noting that the CAG continued to express a strong interest in understanding the scope and timing of a longer-term PS project.

Among other matters, the following were raised:

- Ms. Pierce reiterated the PIOB's view that PS should apply to all PAs, and that the PIOB believes that professional accountants in many roles in corporate governance, not-for-profit, etc are relied upon to take a critical approach to information within their remit. She added that the PIOB believes that the IESBA should continue to explore how to establish this requirement in the Code. Ms. Pierce also wondered whether the PSWG would have a role in the longer-term PS initiative. Dr. Thomadakis explained that the PSWG effectively completed its remit with the release of its joint publication and now each Board would move forward on the recommendations that were made.⁵
- Reflecting on the Board's June 2017 discussion about the possible approach to the longer-term initiative, an IESBA member suggested that the Task Force and the Board consider rebranding the longer-term PS initiative to de-emphasize the focus on PS, and instead seek a way to emphasize the broader perspective. It was noted that doing so might be a useful way to progress the initiative in a more open manner. Mr. Koltvedgaard, however, cautioned against moving too far away from using words like PS that in his view is well understood by stakeholders.
- There were some cautionary remarks on the proposed timing for progressing the longer-term PS initiative, in light of the Board's existing commitments for its December 2017 meeting. The Board agreed that approving the restructured Code will be its priority at its December 2017 meeting.

WAY FORWARD

The Board asked the Task Force to present at the December 2017 IESBA meeting:

- A revised draft of the proposed application material relating to PS and professional judgment for consideration with a view to approval for inclusion in the restructured Code; and
- An update on the longer-term PS initiative.

8. Review of Part C of the Code — Phase 1 Restructuring

Ms. Agélie introduced the topic, noting that revisions to the Part C restructured text in Structure ED-2 are developed in collaboration with the Structure and Safeguards Task Forces. She focused her presentation on the significant issues raised by respondents that were not yet addressed by the Safeguards and Structure Task Forces. In particular, she pointed out a conforming change that was made in Section 200 and the Guide to the Code in light of the Task Force's revisions to the Applicability ED.

The Board was generally supportive of the Task Force's proposals, subject to any further structure- or safeguard-related refinements that might result from the further work of the Structure and Safeguards Task Forces. The Board also considered and agreed to various editorial suggestions to improve the Task Force's proposed revisions.

⁵ The PSWG completed its work with the joint publication of [Toward Enhanced Professional Skepticism](#) in August 2017.

WAY FORWARD

The Board asked the Task Force to present a final draft of the restructured text, incorporating any final consistency-related changes from the Structure and Safeguards projects, for consideration with a view to approval at the December 2017 meeting.

9. Strategy and Work Plan (2019-2023)

Dr. Thomadakis introduced the topic and invited Mr. Siong to brief the Board on the significant comments from respondents to the April 2017 Strategy and Work Plan (SWP) [survey](#) and the IESBA Planning Committee's (PC) initial analysis and preliminary considerations relating to the survey responses. Dr. Thomadakis reminded the Board that its consideration of the feedback on the Strategy Survey is part of a robust and systematic process that will involve the issuance of a consultation paper to solicit stakeholder views in developing the SWP 2019-2023.

Mr. Siong briefed the Board on the significant matters raised during the September 2017 CAG meeting. Mr. Koktvedgaard added that CAG representatives were polled and each expressed a view about what they believed should be the IESBA's future priorities related to standard setting. In this regard, he noted that on balance the CAG's views were broadly consistent with the general convergence of views among respondents to the survey. Mr. Koktvedgaard also noted that the CAG was generally supportive of the pre-commitments that had been identified.

The IESBA broadly supported the PC's initial analysis, and provided feedback on the various potential topics for prioritization and related considerations for the PC to take into account in developing the draft strategy consultation paper. Among other matters, the following were raised:

- The e-Code and effective implementation of the restructured Code should be central to the Boards' vision and its future strategy.
- Outreach and global adoption are very important, and in the context of the restructured Code, they will deserve renewed emphasis.
- It might be helpful to reflect on whose benefit the Code is being written and how the Board would plan to measure success in delivering on the SWP.
- Consideration should be given to how best to engage with stakeholders to ensure diversity of responses to the consultation paper.
- The Code is principles-based Code, and therefore it should not be necessary to make changes every time. Instead, there might be other ways to address specific stakeholder concerns.
- The Board should focus on establishing and communicating a strategy vs. a work plan. In this regard, it was noted that some of the topics in the agenda material would lend themselves well to a strategic thought process, while others would not. Accordingly, it would be important for the Board not to focus overly on specific topics and lose sight of the overall strategy.
- With respect to the specific topics for inclusion in the SWP:
 - "Emerging/newer models of service delivery" is related to trends and developments in technology, and therefore the two topics could be considered together.
 - There is strong need for ethical guidance in relation to tax planning services. However, scoping a project on this topic will be challenging given that legal frameworks and attitudes to tax vary

widely around the world. Further, taking on such a project might require consideration what it means for a tax advisor to act in the public interest. Consideration should also be given to whether the scope should be all PAs and not only those who provide such services to their audit clients.

- The IAASB has formed a [Data Analytics Working Group](#) (DAWG) that is exploring emerging developments in the effective and appropriate use of technology, including data analytics, to enhance audit quality. It has also established a [Data Analytics Project Advisory Panel](#) to inform the DAWG's work. Consideration should therefore be given to liaising with the DAWG as part of the IESBA's information gathering and scoping of its technology initiative.
- With respect to materiality, consideration should be given to expanding how qualitative rather than quantitative aspects of the concept could be further developed in the Code.
- A post-implementation review of the restructured Code would be important given the scope of the Structure project. Consideration would need to be given to whether this should be a stand-alone initiative or focus on select areas.
- Regard should be given to resource constraints, which may result in the need to exclude some items from the SWP or otherwise or delay their start. There should also be some reserve capacity for unanticipated or emerging issues.

Ms. Pierce expressed support for tax planning as a top priority item. She noted that it would be difficult to avoid politicizing the debate but added that the PIOB believes there are significant public interest issues involved.

WAY FORWARD

The Board asked the Planning Committee to present a first draft of the consultation paper for consideration at the December 2017 IESBA meeting.

10. PIOB Observer's Remarks

Ms. Pierce thanked Dr. Thomadakis, IESBA members, and staff for the expertise and professionalism displayed during the meeting. She observed that as many projects have reached the final stage, there was a lot of fine tuning in terms of drafting work. In relation to the joint session with the IAASB, she noted that the discussion was constructive and that she was encouraged by the commitment of the two Boards to work towards constructive collaboration while accepting that there are discrete areas that should stay within the respective remits of each Board. She was also encouraged to see the positive signals regarding collaboration with the IAESB.

In relation to the various work streams relating to the restructured Code, Ms. Pierce observed that the the various discussions were robust. She wondered if it might not be helpful for readers of the Code to have a summary document that highlights what is expected, in particular to emphasize the requirements and prohibitions in the Code.

Ms. Pierce wondered about the process for inventorying and managing "out of scope matters" raised by respondents to the various EDs. Dr. Thomadakis responded that the Structure Task Force had been maintaining a compilation of these various matters and that this list would be considered by the Planning Committee in developing the SWP.

11. Next Meeting

The next meeting of the IESBA will be held in Livingstone, Zambia on December 4-8, 2017.

12. Closing Remarks

Dr. Thomadakis thanked IESBA participants for their contributions to the meeting, and the AICPA for hosting the meeting and providing administrative support. He wished all participants a safe journey home and then closed the meeting.