

**Basis for Conclusions**  
**Prepared by the Staff of the IESBA<sup>®</sup>**  
September 2014

*International Ethics Standards Board for  
Accountants<sup>®</sup>*

---

# IESBA<sup>®</sup> Strategy and Work Plan, 2014-2018

**IESBA**

International  
Ethics Standards  
Board for Accountants<sup>®</sup>

This document was prepared by the Staff of the International Ethics Standards Board for Accountants® (IESBA®).

The IESBA is an independent standard-setting board that develops and issues high-quality ethical standards and other pronouncements for professional accountants worldwide. Through its activities, the IESBA develops the *Code of Ethics for Professional Accountants™*, which establishes ethical requirements for professional accountants.

The objective of the IESBA is to serve the public interest by setting high-quality ethical standards for professional accountants and by facilitating the convergence of international and national ethical standards, including auditor independence requirements, through the development of a robust, internationally appropriate code of ethics.

The structures and processes that support the operations of the IESBA are facilitated by the International Federation of Accountants® (IFAC®).

Copyright © September 2014 by the International Federation of Accountants® (IFAC®). For copyright, trademark, and permissions information, please see [page 14](#).

## **BASIS FOR CONCLUSIONS: IESBA STRATEGY AND WORK PLAN, 2014-2018**

This Basis for Conclusions has been prepared by staff of the International Ethics Standards Board for Accountants (IESBA). It relates to, but does not form part of, the IESBA Strategy and Work Plan, 2014–2018 (SWP), which was approved by the IESBA in July 2014 with the affirmative votes of 16 out of 16 IESBA members.

### **Background**

1. The IESBA commenced the development of its SWP with a formal survey in early January 2013 seeking stakeholders' views about issues that they believe the IESBA should address in its next strategy and work plan. In addition to being published on the IESBA website, the survey was distributed to over 700 key contacts within regulatory organizations, member organizations of the IESBA Consultative Advisory Group (CAG), other international and regional organizations, national standard setters, IFAC member bodies, IFAC boards and committees, and firms, among others. The results of this survey formed the preliminary basis for the IESBA's considerations in developing a consultation paper (CP), which was issued in December 2013.
2. The comment period for the CP closed at the end of February 2013, with 38 letters received from various respondents, including regulators and audit oversight bodies, national standard setters, IFAC member bodies, firms, and other professional organizations, among others. This Basis for Conclusions explains the more significant issues raised by respondents to the CP and how the IESBA has addressed them in finalizing its SWP.
3. The IESBA discussed this initiative with its CAG on four separate occasions during the April 2013 – April 2014 period: after the close of the formal survey, prior to the issuance of the CP, and twice prior to the finalization of the SWP. The IESBA also received input on the development of its SWP from its National Standard Setters (NSS) liaison group twice in May 2013 and May 2014.

### **Strategic Themes**

4. The CP asked respondents whether the proposed strategic themes for the period 2014-2018 were appropriate, i.e.:
  - (a) Maintaining a high-quality Code of Ethics for application by professional accountants (PAs) globally;
  - (b) Promoting and facilitating the adoption and effective implementation of the Code;
  - (c) Evolving the Code for continued relevance in a changing global environment; and
  - (d) Increasing engagement and cooperation with key stakeholders.
5. The overwhelming majority of respondents expressed support for those themes, with a few of the respondents noting that the themes were inter-linked and complementary. Several respondents highlighted the importance of flexibility in responding to changes in the global environment. At the same time, it was cautioned that the IESBA should not set unrealistic expectations that these changes will always directly impact the Code.
6. A regulatory respondent expressed the view that the strategic themes should be focused more on enforceability, clarity and appropriateness of the threats and safeguards approach, noting the importance of prioritizing these areas to strengthen the Code.

### **IESBA Decisions**

7. Given the overwhelming support from respondents, the IESBA has retained the proposed strategic themes in its SWP. The IESBA believes that these strategic themes are appropriately broad to guide the priorities and actions to enable it to serve the needs of its diverse constituencies in the public interest. The SWP also recognizes the need to address the narrower themes suggested by the regulatory respondent, in particular through the work being done on the Structure of the Code project, and through the proposed new work stream on safeguards. The IESBA agreed to more explicitly recognize enforceability, clarity and appropriateness of the threats and safeguards approach as important objectives under the strategic themes of maintaining a high quality Code, and promoting and facilitating adoption and implementation (see paragraphs 28 and 31).<sup>1</sup>
8. The IESBA has recognized the importance of the SWP being flexible and dynamic given the evolving global context in which the profession operates, and has emphasized this in a number of places in the SWP (see paragraphs 23, 39 and 49, and the Interim Chair's statement (paragraph 21)). In addition, the IESBA has emphasized in the SWP the need for a careful analysis of a particular issue before initiating a new work stream, and for appropriate research and needs analysis before launching a new project (see paragraphs 49-50).

### **Work Streams Added to Agenda in 2012**

9. The CP asked respondents whether they supported the four work streams the IESBA added to its agenda in 2012, i.e.:
  - (a) A review of the provisions in the Code that deal with long association of senior personnel (including partner rotation) with an audit client (Long Association);
  - (b) A review of the non-assurance services provisions in the Code to ensure that they continue to support a rigorous approach to independence for assurance services (Non-Assurance Services);
  - (c) A review of Part C of the Code addressing professional accountants in business (PAIBs) (Review of Part C); and
  - (d) A reconsideration of the structure of the Code with a view to enhancing the Code's usability, thereby facilitating increased adoption and more effective implementation (Structure of the Code).
10. Respondents overall were supportive of the addition of those four work streams to the IESBA's agenda and for the IESBA to press on with them. A few respondents suggested that the Board could consider a less formal but more expeditious process of seeking stakeholder input on changes to its SWP, or more frequent consultations on the SWP.
11. Many respondents provided specific comments on the individual work streams, and these have been shared with the relevant task forces for further consideration.

### **IESBA Decisions**

12. Given the broad support from respondents, the IESBA determined that no adjustments to the current plans for those work streams (now all projects) need be made. The IESBA has taken note of

---

<sup>1</sup> Paragraph numbers refer to the final SWP unless otherwise stated.

the suggestion to consider a more expeditious process of seeking stakeholder input into changes to the SWP. The IESBA will consider this in consultation with the Public Interest Oversight Board (PIOB) in future should the need arise to make a significant change to the SWP.

### **Frequency of Changes to the Code**

13. Several respondents were concerned about frequent changes to the Code on the grounds that this may impede further adoption and implementation (A&I) of the Code, and may result in the Code becoming patchwork. It was also noted that the IESBA had completed a major revision of the Code in 2009 and it was felt that time was needed to allow the changes to bed down. Accordingly, there were some calls for a pause in standard setting and to allow a period of stability. A suggestion was made for consideration to be given to introducing changes to the Code as one amendment with one effective date, as opposed to on a piecemeal basis.

### **IESBA Decisions**

14. The IESBA acknowledged the respondents' concerns about the burden of changes. The IESBA had noted in the CP that it would be sensitive to this burden when considering the merits of potential changes to the Code. However, the IESBA considered that it has a responsibility to respond proactively to global developments that may potentially impact the public interest. The IESBA believes that this is a primary role for it to continue as a credible international standard setter. Accordingly, when major jurisdictions or stakeholders raise concerns about, or are considering, particular ethics or independence issues or matters, it is important for the Board to respond appropriately.
15. The IESBA believes that it is also important to emphasize that it adheres to a robust due process. Its robust due process includes consultation with stakeholders and appropriate research to identify potential areas of concern in the public interest, transparent board deliberations and careful consideration of stakeholders' feedback on exposure drafts. This is recognized in the SWP (see paragraphs 45, 47-48). Also, the Board strives for a balanced approach that takes into consideration an understanding of the incremental benefits in the public interest of any proposed change to the Code and the related burden of A&I (see paragraph 27).
16. The IESBA also considered that the last set of major revisions to the Code was finalized over five years ago before the advent, or just prior to the onset, of the global financial crisis. Since then, there have been significant developments such as legislative or regulatory changes in various major jurisdictions. The role of auditors and other professional accountants has come under closer scrutiny and there has been further emphasis on the importance of ethical behavior. Consequently, the IESBA believes it is important to ensure that the Code remains robust and relevant. The IESBA further noted that any potential change to the Code that may arise from projects currently in progress would not come into effect until 2016 at the earliest.
17. Nevertheless, the IESBA agreed that it would consider how it could help alleviate the burden of change, for example:
  - (a) Grouping future changes together with a common effective date. This would, however, not preclude early adoption if determined appropriate by the IESBA.

- (b) Releasing changes periodically such as on an annual or biennial basis. However, depending on the importance and urgency of the particular issue, the IESBA may decide to release a change at the earliest opportunity.
18. The IESBA also agreed that when issuing exposure drafts, it would endeavor to seek feedback from respondents regarding potential A&I issues related to proposed changes. Such information may assist the IESBA in determining appropriate transitional arrangements before the final changes become effective.

### **Adoption and Implementation**

19. Many respondents expressed support for the IESBA's outreach efforts, with some calling for those efforts to be intensified and others for resources to be redirected from making further changes to the Code towards A&I. Respondents in particular called for outreach efforts to be focused on increasing the global uptake of the Code, stimulating greater global convergence, raising awareness and understanding of the Code and its robustness, and facilitating its more effective implementation.
20. There were many suggestions regarding stakeholders or stakeholder groups with which the Board should continue to maintain or even deepen its engagement, including:
- Legislators and regulators, particularly to better understand the impediments to greater global convergence and to avoid a proliferation of national differences (especially with respect to independence requirements) that would not be in the public interest.
  - Investors.
  - Academia.
  - NSS, including efforts to stimulate greater acceptance by NSS of compliance with the IESBA Code for audits of components within groups that are performed outside of the NSS' jurisdictions.
  - The IFAC Compliance Advisory Panel with regard to global adoption of the Code, and the IFAC Small and Medium Practices (SMP) Committee and PAIB Committee.
  - The International Auditing and Assurance Standards Board (IAASB), given the need for continued strong linkage between the International Standards on Auditing (ISAs) and the Code.
  - The International Organization of Supreme Audit Institutions (INTOSAI) with respect to public sector auditors.
21. Some respondents suggested that the Board focus on developing implementation tools and resources, such as case studies, best practice guidance and staff publications, to facilitate more effective implementation of the Code.

### **IESBA Decisions**

22. The IESBA acknowledged respondents' support for its outreach efforts and reaffirmed its commitment in the SWP to reaching out to stakeholders globally (see the Interim Chair's Statement, paragraphs 12-13 and 18). Related to outreach and in response to input from its NSS liaison group, the IESBA agreed to articulate a commitment in its SWP to speak out more on ethics-

related developments that have the potential to lead to greater divergence in standards, and seek to influence debates towards greater international convergence (see the Interim Chair's Statement, paragraph 18, and paragraphs 37 and 71 of the SWP).

23. In relation to respondents' suggestions for the IESBA to devote more resources to implementation support particularly to assist SMPs/small- and medium-sized entities (SMEs), the IESBA noted that it has already taken steps to enhance its liaison activities with the SMP/SME community, for example, through the regular interactions between the leadership and staff of the Board and the IFAC SMP Committee. These activities enable the IESBA to gain a better understanding of the challenges SMPs and professional accountants working in SMEs may face in implementing or applying the Code. The IESBA reaffirmed its commitment to liaise closely with the IFAC SMP Committee in this regard (see paragraph 27).
24. The IESBA further noted that it has, within its limited resources, provided implementation support in the past, for example, through Staff Q&As, overviews of the Code, and ad hoc reference materials (such as a summary of independence requirements applicable to audits of public interest entities (PIEs)). Additionally, the IESBA dedicates significant resources to ensuring that its deliberations and responses to stakeholders' comments on exposure drafts and consultation papers are appropriately recorded and made public. This includes articulation of the key issues, identification of arguments for and against particular positions, and explanation of the rationale for the Board's final conclusions. The IESBA believes that all this information serves as another important source of useful material to assist A&I.
25. The IESBA agreed to continue to study any stakeholder feedback on A&I and, where appropriate, provide support as it has done in the past. In this regard, the IESBA noted the recommendation of its Structure of the Code Task Force that complementary material be addressed after the restructuring of the Code and to consider taking advantage of existing materials already developed by others, for example, case studies prepared by IFAC member bodies. Nevertheless, the IESBA determined that it should prioritize projects and needs within its resource constraints. Prioritization in turn will depend on the extent to which a particular implementation matter is common globally as well as its impact on the public interest.
26. Notwithstanding the above, the IESBA noted that through its Structure of the Code project, it has committed to develop standards in a way that will facilitate their A&I to the greatest extent possible. The IESBA strongly believes that a restructured Code will go a long way towards helping to alleviate concerns about challenges in adopting and implementing the Code.

## **Needs Assessment**

27. Several respondents emphasized the importance of the Board undertaking a proper needs assessment or a post-implementation review of standards before contemplating changes to the Code. Some in particular highlighted a perception that changes to the Code are being made in reaction to regulatory developments in particular jurisdictions without clear evidence of need or an adequate articulation of the merits of the changes relative to the associated costs.
28. It was also noted that while it is important for the Board to understand regulatory developments around the world, rules developed in one jurisdiction to address that jurisdiction's specific circumstances may not necessarily be appropriate in a principles-based Code for global application. Some concerns were also expressed about both the creation of undue complexity and

the potential for unintended consequences as the Board attempts to react to regulatory developments.

### **IESBA Decisions**

29. The IESBA felt that some of the concerns raised are not a fair assessment of its process for initiating a particular work stream. The IESBA acknowledged the importance of undertaking an appropriate needs assessment, including any necessary research, as a basis for launching a given project. Indeed, research has been an integral part of the IESBA's process for determining whether to proceed with the more recent projects on its current agenda (for example, Structure of the Code, Long Association, and the review of Part C of the Code). Notwithstanding this, the IESBA believes that it is important not to lose sight of how critical it is to promote public trust and confidence in a code of ethics intended to be applied by the profession globally. Accordingly, if there is potential for perceptions of the robustness of the Code to be less than desirable it is important for the IESBA to investigate the particular areas or issues that might be giving rise to those perceptions, even though there may be no evidence that the current provisions in the Code are not operating effectively.
30. The IESBA agreed that it should endeavor to communicate the rationale for undertaking its projects clearly, including when issuing an exposure draft or a consultation paper. The IESBA also noted that its periodic consultations on its future strategy and work plan are an important mechanism by which the Board is able to learn about and understand stakeholders' varying needs, and thereby seek to prioritize action to address those needs.

### **EU Audit Regulatory Developments**

31. A group of 17 audit regulators from the EU expressed the view that where the Code is less stringent than the EU legal and regulatory framework, this would have the potential to impair the applicability of the Code in that jurisdiction. It was suggested that the Board monitors the outcome of the EU developments closely and ensure that the Code is consistent with the EU requirements, especially with respect to the topics of non-audit services, long association, communication by auditors when facing irregularities and non-compliance with laws and regulations, joint audit considerations, and fee dependency.

### **IESBA Decisions**

32. The IESBA has already been monitoring EU regulatory developments in a number of different ways, including through outreach to representatives of the European Commission and other stakeholders based in the EU, the work of its Emerging Issues and Outreach Committee (EIOC), and discussions with the CAG. Just as it is important to monitor and consider developments in the EU, the IESBA believes that as an international standard setter it should also consider developments in other jurisdictions. As an independent body, the IESBA's role requires that it considers jurisdictional developments through a global lens and in an objective manner. This includes being open to all views about the extent and importance of an issue globally in the public interest, and considering the diversity of alternative ideas and trade-offs to addressing a particular matter. The IESBA believes that it is through taking such a global and objective approach that it is able to set high-quality ethics standards that are globally accepted and capable of being operationalized widely.



## Post-Implementation Reviews

33. A regulatory respondent suggested that the IESBA conduct post-implementation reviews of its standards, including the recently released Breaches standard and, when issued, the standard on responding to suspected non-compliance with laws and regulations (NOCLAR).<sup>2</sup> It was argued that post-implementation reviews could enable the IESBA to determine if the standards are clear and are consistently being understood and implemented. It was noted that such a review could also identify whether PAs, regulators and other stakeholders are experiencing challenges with the standards that would need to be addressed by the IESBA. The suggestion for post-implementation review was also supported by a few CAG Representatives.

## IESBA Decisions

34. While acknowledging that a post-implementation review process may provide for a systematic way of gathering input regarding the implementation of standards, the IESBA noted that there may be practical challenges to implementing such a process for ethics standards. This is because, unlike other professional or technical standards, ethics standards do not lend themselves well to directly observable outcomes in terms of preventing or averting unethical conduct.
35. The IESBA nevertheless agreed to consider the need for post-implementation reviews addressing selected aspects of specific standards to determine whether these are being effectively implemented. This will be dependent upon feedback from stakeholders and any relevant issues identified under the IESBA's Emerging Issues initiative. Should such a need arise, the IESBA will consider gathering information from relevant stakeholders such as regulators, firms and those charged with governance through means such as surveys and focus group meetings (see the Interim Chair's statement, paragraph 14, and paragraph 63 of the SWP).

## Proposed Actions and Prioritizations

36. Respondents were generally supportive of the proposed actions under each strategic theme and their relative prioritizations as set out in the CP. In particular, a project on reviewing the safeguards in the Code was strongly supported by the respondents from the regulatory community. In addition, a few respondents felt that the project would be of potential benefit to SMPs given the practical challenges they tend to face from having limited numbers of partners. A few other respondents cautioned against undertaking a comprehensive review of safeguards in the Code given a lack of strong evidence of need, suggesting instead consideration of off-Code guidance. In addition, the IESBA's Emerging Issues initiative was welcomed by a number of respondents. In this regard, it was suggested that the IESBA ensure that the appropriate processes are in place to address emerging issues on a timely basis.
37. A number of respondents, however, expressed concerns about two of the proposed work streams as outlined below.

---

<sup>2</sup> Further information about the NOCLAR project can be accessed on the IESBA website at: <http://www.ifac.org/ethics/projects/responding-non-compliance-laws-and-regulations>

### **Collective Investment Vehicles (CIVs)**

38. This specific topic has been flagged or otherwise supported as important by a number of stakeholders, including regulators, as well as a number of CAG member organizations. The IESBA recognizes that a number of respondents did not support a project addressing CIVs given concerns regarding the diversity of management and governance structures for these vehicles around the world, and the difficulty this creates in determining a common approach.
39. Some respondents were of the view that the current definition of a related entity in the Code is sufficiently broad and principles-based to be capable of being applied in the context of CIVs. Accordingly, it was suggested that the IESBA carefully research the topic and perhaps consider addressing it through off-Code guidance as opposed to making changes to the Code.

#### *IESBA Decisions*

40. The Board plans to explore as a new work stream the topic of CIVs, given that the global footprint for CIVs such as mutual funds and hedge funds has continued to increase, in terms of not only amounts invested but also the spread of investors in them globally. Also, given the fact that regulators have been looking more closely at regulating such vehicles, the IESBA believes that there is a public interest need for it to focus strategic attention in this area.
41. The IESBA nevertheless agreed that a prerequisite to any consideration of a project in this area will be appropriate research to fully understand the issues. Accordingly, the Board will proceed cautiously before determining whether changes to the Code would be necessary..

### **Fee-Related Matters**

42. Some respondents, particularly those from the regulatory community, were supportive of a proposed work stream addressing the fee-related matters described in the CP. Some respondents, however, were not supportive of prioritizing such action on the following grounds:
  - There is no evidence of need to revisit the fee-related provisions in the Code so soon after the Board reviewed them as part of the revised Code issued in 2009, or that the current provisions in the Code are not working effectively.
  - Further restrictions may have the perverse effect of reducing market competition by limiting smaller firms' ability to service clients.
43. Some respondents suggested that a proper needs assessment or research would be needed, or that the Board would need to better articulate the nature of the issues to be addressed, before it decides to embark on a project in this area.

#### *IESBA Decisions*

44. The IESBA felt that any specific regulatory feedback in this area merit attention. On the other hand, there may be merits in some of the counter-arguments put forth by some respondents. On balance, the IESBA agreed that further research is needed to better understand the nature of the issues that may need to be addressed and, if so, the potential scope of any project in this area.
45. Hence, the SWP indicates that the IESBA plans to explore a number of fee-related matters in response to regulatory feedback with a view to determining whether there is a need for further

enhancements to the Code or the commissioning of staff guidance (see the Interim Chair's Statement (paragraph 16), and paragraph 67 of the SWP).

## **Respondents' Suggestions for Specific Projects**

### **Definition of "Public Interest Entity"**

46. A regulatory respondent commented that some countries have accepted the minimum definition of a PIE in the Code without amendment. It was argued that the Code presumes that regulators can set a definition but that in many jurisdictions regulators do not have the power to set a definition. Accordingly, the respondent suggested that the IESBA reexamine the definition on the grounds that in practice it is not just serving as a baseline. It was also suggested that one way to reexamine the definition would be to examine the outputs of the International Accounting Standards Board's (IASB's) work in this area, particularly the meaning of public accountability that was developed in drawing the dividing line between International Financial Reporting Standards (IFRS) and IFRS for SMEs. The respondent felt that consistency in the approaches between the definition in the Code and this definition would be simpler and may reduce any possible confusion among auditors and audit clients in jurisdictions that use the IASB's standards.

### *IESBA Decisions*

47. The IESBA noted that it had extensively deliberated the definition of a PIE in the Code when it reviewed that definition seven years ago under the Independence I project. The IESBA believes that it is important for the definition to be fairly broad to be capable of global application.
48. However, the IESBA noted that an international banking regulator has also highlighted this as an area for the Board to reconsider from the perspective of the banking industry. Accordingly, the IESBA agreed that as part of its ongoing dialogue with the regulatory community, it will seek to better understand the nature of regulatory concerns and consider whether there is a need to revisit the definition (see paragraph 71).

### **Other Respondents' Suggestions**

49. Various respondents offered other suggestions for possible actions in the next strategy period for the IESBA's consideration. The table below sets out the more significant suggestions and the IESBA's related decisions.

BASIS FOR CONCLUSIONS:  
IESBA STRATEGY AND WORK PLAN, 2014-2018

<b>Respondents' Suggestions</b>	<b>IESBA Decisions</b>
<p>Consideration of the need for guidance addressing the topic of aggressive tax avoidance globally.</p>	<p>The IESBA noted that addressing this topic would likely be a complex endeavor given the diversity and complexity of tax laws and regimes, the influence of governmental policies, the cross border nature of the topic, and the range of stakeholders involved. The IESBA agreed that there is no immediate need for a standard-setting project in this area but that, through its EIOC, it should maintain a watching brief on international developments on this topic.</p>
<p>Clarification of the meaning of public interest in the Code.</p>	<p>In light of IFAC's recent experience in defining the public interest and the fact that the overwhelming majority of respondents have not called for the IESBA to address this topic as a priority, the IESBA felt that the suggestion should not be taken forward at this time. The IESBA, nevertheless, agreed that it should monitor relevant developments through its EIOC with a view to determining the need for additional guidance or other appropriate actions (see paragraph 70).</p>
<p>Guidance on the application of the reasonable and informed third party test.</p>	<p>The IESBA noted that this topic was proposed as a possible project in the strategy survey and the proposal did not receive as much support from respondents to the survey as other proposals. Accordingly, the IESBA determined that this topic should not be prioritized at this stage.</p>
<p>Guidance addressing the topic of joint audits.</p>	<p>The IESBA determined that this topic should not be prioritized at this stage as it is jurisdiction-specific. Nevertheless, the IESBA agreed that its EIOC should monitor developments in this area.</p>

BASIS FOR CONCLUSIONS:  
IESBA STRATEGY AND WORK PLAN, 2014-2018

Respondents' Suggestions	IESBA Decisions
<p>Consideration of the ethical implications of outsourcing or offshoring of work by professional accountants.</p>	<p>The IESBA noted that the issues being raised in this area appear to relate more to ISQC 1<sup>3</sup> in terms of ensuring that firms that engage third party providers comply with the relevant professional standards in those situations, including the relevant independence and other ethical requirements of the Code. Accordingly, the IESBA did not believe that there is an immediate need for a standard-setting project in this area.</p> <p>Nevertheless, the IESBA agreed that it should, in conjunction with the IAASB, seek to understand the specific issues being raised by regulators and others on this topic, and consider the need to coordinate any potential action on this topic with the IAASB. In addition, the IESBA agreed that its EIOC should monitor developments in this area.</p>
<p>Consideration of developments in information technology that have ethical implications for professional accountants.</p>	<p>The IESBA agreed to maintain a watching brief on these developments through its EIOC before determining the need for a standard-setting project in this area.</p>

---

<sup>3</sup> ISQC 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*

The *Code of Ethics for Professional Accountants*<sup>TM</sup>, Exposure Drafts, Consultation Papers, and other IESBA<sup>®</sup> publications are published by, and copyright of, IFAC<sup>®</sup>.

The IESBA and IFAC do not accept responsibility for loss caused to any person who acts or refrains from acting in reliance on the material in this publication, whether such loss is caused by negligence or otherwise.

The IESBA logo, 'International Ethics Standards Board for Accountants'<sup>®</sup>, 'IESBA', '*The Code of Ethics for Professional Accountants*', the IFAC logo, 'International Federation of Accountants'<sup>®</sup>, and 'IFAC' are trademarks or registered trademarks and service marks of IFAC.

Copyright © September 2014 by the International Federation of Accountants (IFAC). All rights reserved. Written permission from IFAC is required to reproduce, store or transmit, or to make other similar uses of, this document, except as permitted by law. Contact [permissions@ifac.org](mailto:permissions@ifac.org).



**International  
Ethics Standards  
Board for Accountants®**

529 Fifth Avenue, 6th Floor, New York, NY 10017  
T + 1 (212) 286-9344 F +1 (212) 286-9570  
[www.ethicsboard.org](http://www.ethicsboard.org)