




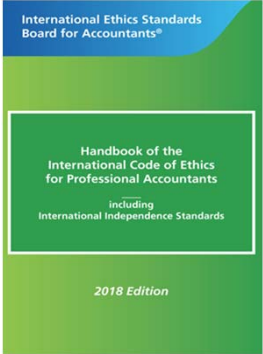
## IESBA's Benchmarking Initiative



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## Background to Initiative

- Concerns that the IESBA Code's conceptual framework approach allows firms too much flexibility and judgment
  - Views that national laws and regulations are more robust and enforceable
- Code's independence framework has undergone significant change since last benchmarking, including proposed revisions arising from NAS and Fees Project
  - Benchmarking is a strategic exercise to promote awareness of International Independence Standards



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## Objective of the Benchmarking Initiative

- To provide a robust basis for comparing the [International Independence Standards](#) with equivalent provisions in other jurisdictions

Phase 1

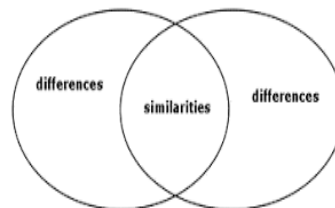
- Focus on mapping PIEs provisions to the US SEC/PCAOB Rules

Phase 2

- Expand to other jurisdictions in future (e.g., EU)

## Objective of the Benchmarking Initiative

- Benchmarking will compare provisions regarding:
  - The scope and the overarching principles that are relevant in applying independence frameworks,
  - The nature of the relationship between an auditor and an audit client, and
  - The activities and services that may and may not be provided to an audit client,
 → thereby highlighting the similarities and differences between independence frameworks.



## Scope of Phase 1



PCAOB

- International Independence Standards relevant to PIEs
  - Includes forthcoming revisions arising from Fees and NAS projects
  - Focus will be on Part 4A, but given Code's building-blocks architecture will include relevant provisions in Part 1 and 3
- SEC/PCAOB rules relevant to listed entities, including:
  - Federal Statute
  - SEC rules in Regulation S-X
  - PCAOB ethics and independence rules



## Timeline



Further information about Initiative and July 2020 IESBA meeting materials are available on the [IESBA's website](#)

