



**INTERNATIONAL FEDERATION
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Agenda Item

C

Task Force Ethics Consultative Advisory Group

Meeting Location: Marriott Marble Arch, London, United Kingdom

Meeting Date: November 24, 2008

Independence II

Please note that, because of the timing of the Ethics CAG and the IESBA meeting, the CAG papers include the papers that will be discussed by the IESBA at its December meeting. The IESBA will also receive an update on comments raised by the CAG members.

Objective of Agenda Item

1. To discuss the Task Force's proposals to address comments received on the re-exposure of Independence II.

Background

In May 2008, the IESBA issued a re-exposure draft requesting comment on only three specific areas:

- The proposed restriction on providing internal audit services to public interest audit clients;
- Whether there should be an exception for immaterial internal audit services; and
- The required frequency of the application of the pre- or post-issuance review safeguard and the requirement to determine whether a pre-issuance review is required when total fees significantly exceed 15%.

The Task Force met on October 21, 2008 to discuss and respond to the comment received. The IESBA will consider the Task Force's proposals, together with comments from CAG members, at their meeting on December 10-12, 2008.

Material Presented

Agenda Paper C	This Agenda Paper
Agenda Paper C-1	IESBA Lead Agenda Paper 2
Agenda Paper C-2	IESBA Agenda Paper 2-C Revised Text mark-up

The comment letters have been posted on the IFAC website and may be downloaded at <http://www.ifac.org/Guidance/EXD-Details.php?EDID=0112>.

The IESBA agenda papers also contain a detailed cut and paste of comments received. If CAG members wish to review this document it can be obtained from the IFAC website under background papers to the December 2008 meeting at <http://www.ifac.org/Ethics/Meetings.php>.

Action Requested

1. CAG members are asked to consider the issues addressed in Agenda Paper C-1 and provide views on the questions that have been raised for the IESBA.