

**Meeting:** IESBA  
**Meeting Location:** Athens, Greece  
**Meeting Date:** June 18–20, 2018

## Agenda Item

# 11

### Emerging Issues

#### Objectives of Agenda Item

1. To receive an update from the Emerging Issues and Outreach Committee (EIOC) regarding its proposed working plan going forward.
2. To brief Board members on emerging issues noted by the EIOC, and share any comments or insights on, or reactions to, these matters, including any potential action that may be warranted.

#### EIOC

3. Members:
  - Reyaz Mihular, Chair
  - Denise Canavan, IESBA Technical Advisor
  - Winifred Kiryabwire, IESBA Member
  - Patricia Mulvaney, IESBA MemberObserver:
  - Kristian Koktvedgaard, Chair, IESBA Consultative Advisory Group (CAG)

#### Background

4. At its March 2013 meeting, the IESBA set up a working group to explore and develop working processes for the Board's Emerging Issues and Outreach initiative. The aims of the initiative are two-fold:
  - a) To identify developments in the external environment around the world, outside of the Board's strategic planning process, that may have implications for the Board's strategy and work plan, require Board action or otherwise merit Board attention; and
  - b) To advise the Board on ways to enhance the effectiveness of the Board's outreach efforts, including with respect to the scope and focus of, and general approach to, its outreach activities.
5. At its December 2013 meeting, the Board finalized the working processes. At the same time, it agreed to establish a standing committee (the EIOC) to oversee the activities in this area. The Chair of the CAG participates in the EIOC as an observer. Agenda Item 11-A sets out the EIOC's terms of reference and working processes.

6. In addition to presenting a number of emerging issues for the Board's consideration at various subsequent Board meetings, the EIOC presented an update on the status of global adoption of the Code at the October 2014 IESBA meeting. At that meeting, acknowledging the need to better understand the nature and extent of differences between the Code and national ethical requirements in major jurisdictions, the Board instructed the EIOC to undertake a review of the key differences with respect to the G20 and major financial centers.<sup>1</sup>
7. The EIOC approached various Board members and Technical Advisors based in some of these jurisdictions (or who otherwise had access to relevant information from these jurisdictions) to give country presentations.<sup>2</sup> These presentations included an outline of the approach to adoption of, or convergence with, the Code in the particular jurisdictions. They also included highlights of key differences between the Code and national ethical requirements in the jurisdictions. Presentations began at the January 2015 Board meeting and continued periodically up until the March 2016 Board meeting. At the September 2016 Board meeting, the EIOC Chair gave an update on the review work performed to date. The Board asked that the EIOC present a full analysis of the differences between the Code and national requirements in the G20 and major financial centers at a future meeting.
8. Further work on the EIOC was subsequently deferred while all resources were channeled towards the completion of the revised and restructured Code at the end of 2017.
9. With the new Code now released, the EIOC has recently reactivated its work.

#### **Activities Since Last IESBA Meeting**

10. The EIOC met via conference call on Thursday, June 7 to discuss its work plan in light of its terms of reference, and to consider several emerging issues or developments it had noted.
11. The EIOC will meet in-person in the margins of the Board meeting on Monday, June 18.

#### **Material Presented**

Agenda Item 11-A      EIOC Terms of Reference

#### **Action Requested**

12. IESBA members are asked to consider the presentation and provide comments or reactions, including views on any potential IESBA actions that may be warranted in relation to each emerging issue or development.

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<sup>1</sup> Argentina, Australia, Brazil, Canada, China, European Union (EU), Hong Kong SAR, India, Indonesia, Japan, Republic of Korea, Mexico, Russia, Saudi Arabia, Singapore, South Africa, Turkey, United Kingdom and United States.

<sup>2</sup> Presentations were made with respect to Australia, Brazil, Canada, India, Indonesia, Japan, Mexico, Saudi Arabia, Singapore, South Korea, the USA and the EU. Data on adoption were also obtained by Board members and Technical Advisors on Argentina, China and Hong Kong SAR.