

**DRAFT Minutes of the 54th Meeting of the
INTERNATIONAL ETHICS STANDARDS BOARD FOR ACCOUNTANTS
Held on December 4-7, 2017 in Livingstone, Zambia**

Voting Members

Present: Stavros Thomadakis (Chairman)
Richard Fleck (Deputy Chair)
Helene Agélii
Michael Ashley
Brian Caswell
Hironori Fukukawa
Kim Gibson
Gary Hannaford
Liesbet Haustermans
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)
Michael Dorfan (Ms. Kateka) (Day 1-3 only)
Colleen Dunning (Ms. Lee)
Ellen Gorla (Mr. Caswell)
Gina Maldonado (Kim Gibson)
Nigyar Mamedova (Mr. Juenemann)
Andrew Pinkney (Ms. Mulvaney)
Jens Poll (Mr. Hannaford) (Days 1-3 only)
Tone Maren Sakshaug (Ms. Agélii)
Toshihiro Yasada (Mr. Fukukawa)

Apologies: Robert Juenemann

Elbano De Nuccio

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: Jules Muis

IESBA Technical Staff

Present: Ken Siong (Technical Director), Diane Jules (Deputy Director), Geoffrey Kwan, John Morrow and Misha Pieters¹

¹ On a short-term secondment in her capacity as Senior Project Manager – Assurance Standards with the government of New Zealand's External Reporting Board

1. Opening Remarks

WELCOME AND INTRODUCTIONS

Dr. Thomadakis welcomed all participants and public observers to the meeting. He welcomed in particular Messrs. Don Thomson and Peter Hughes, Chair and member of the Structure Task Force, respectively.

Among other matters, he briefed the Board on activities since the previous Board meeting, including the following:

- Matters discussed at recent Planning Committee (PC) meetings.
- Recent outreach activities in Canada, India and Sri Lanka, including a presentation he and Mr. Siong gave on NOCLAR at the South Asian Federation of Accountants (SAFA) Technical Conference.
- Board communications and documents that were recently issued, including the [Fees Survey](#) and a [letter](#) that Prof. Arnold Schilder, Chairman of the International Auditing and Assurance Standards Board (IAASB), James Gunn, Managing Director, Professional Standards, and he had written to IAASB and IESBA stakeholders regarding the Monitoring Group's consultation paper.

IESBA MEMBER AND TECHNICAL ADVISOR CHANGES

Dr. Thomadakis noted that this would be the last Board meeting for Mss. Agélie and Kateka, and Messrs. Hannaford and Marchese as they would be retiring from the IESBA at the end of the year. He also noted that this would be the last meeting for the following Technical Advisors: Mr. Dorfan and Mss. Dunning and Sakshaug. Mr. De Nuccio had been appointed to the IFAC Board from January 2018 and would no longer be serving as an IESBA Technical Advisor.

Dr. Thomadakis congratulated Mr. Poll on his appointment to the IESBA as of January 1, 2018. He also announced the appointments of new IESBA members from January 2018: Messrs. Brian Friedrich and Alden Leung, Prof. Winifred Kiryabwire, and Ms. Myriam Madden. Finally, he congratulated Mr. Fleck and Mss. Gibson and Mulvaney on their re-appointment to the Board, and Mr. Fleck on his re-appointment as Deputy Chair for 2018.

TASK FORCE AND WORKING GROUP CHANGES

After consulting with the PC, and having considered expressions of interest from IESBA members and Technical Advisors, Dr. Thomadakis announced that he had invited the following individuals to join the following Task Forces and Working Groups for 2018, and that they had accepted:

- Ms. Soulier will join the PC.
- Mr. Ashley will chair the Inducements Task Force, replacing Ms. Agélie. Ms. Madden will serve as a new member.
- Mr. Fleck will chair the longer-term Professional Skepticism (PS) Working Group with Messrs. Barbour and Fukukawa, and Ms. Mulvaney as members.
- Ms. Gibson will chair the newly established Rollout and Implementation of the Restructured Code Working Group with Messrs. Caswell and Mihular, and Ms. Adam as members.
- Mr. Thomson will chair the newly established eCode Working Group with Messrs. Friedrich and Pinkney, and Ms. Haustermans as members.

- Mr. McPhee will chair the Fees Working Group, and will be joined by new Working Group members: Ms. Lee and Mr. Leung.
- Ms. Mulvaney will chair the newly established Technology and Innovation Working Group with Messrs. Fukukawa and Juenemann, and Mss. Madden and Mamedova.
- Prof. Kiryabwire will join the Emerging Issues and Outreach Committee.
- Ms. Haustermans will chair the work stream to make Part 4B of the restructured Code consistent with ISAE 3000 (Revised),² with Mss. Lee and Adam, and Mr. Pinkney as members. Mr. Hughes will provide technical support to the working group.

MINUTES OF THE PREVIOUS MEETING

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

2. Approval of the Restructured Code, Resulting from the Structure of the Code, Safeguards, Applicability and PS (Short-term) Projects

Mr. Thomson provided an overview of the format for the session, including the planned timing for the presentation of revisions made to the proposals relating to each project. The revised proposals take into account the input from the September 2017 Board meeting, and are responsive to the feedback from respondents to each exposure draft (ED). Mr. Thomson thanked Board participants for their advance input and drafting suggestions, and noted that they would be considered in developing revised drafts of the proposed texts that comprise the restructured Code.

SUBSTANTIVE MATTERS RELATING TO STRUCTURE AND SAFEGUARDS

Effectiveness and Appropriateness of Safeguards

Some IESBA members questioned the Task Force's response to the suggestion from a few respondents to include additional guidance in the Code to explain how professional accountants (PAs) and firms should determine whether an action is effective in reducing a threat to an acceptable level, and thus qualify as a safeguard. Other IESBA members questioned the clarity of the examples of safeguards that state "...having an appropriate reviewer review...."

After extensive deliberation, the Board agreed to a description of the term "appropriate reviewer." The Board also determined that the proper application of the enhanced conceptual framework will guide PAs and firms to determine the appropriateness and effectiveness of a safeguard. In doing so, the Board reaffirmed that:

- Applying safeguards is only one of three ways to address threats.
- A proper application of the enhanced conceptual framework requires PAs to think about the specific facts and circumstances, including the nature of the professional activity, interests and relationships, creating the threats to determine whether an "action(s) taken to address them are, individually or in combination, effective in reducing such threats to an acceptable level."
- A PA's understanding of the facts and circumstance and the PA's exercise of professional judgment are both critical to determining the appropriateness and effectiveness of safeguards.

² International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*

Advocacy Threats

A few IESBA members echoed the comments of some of the respondents on Safeguards ED-2 relating to advocacy threats created by providing non-assurance services (NAS) to audit clients, and wondered whether the Code should prohibit those NAS.

The Board affirmed that assuming a management responsibility creates a familiarity threat and might create an advocacy threat because the firm or network firm becomes too closely aligned with the views and interests of management. In the context of NAS provisions, the Board concluded that the restructured Code should explicitly state that advocacy threats might be created when firms provide valuation, tax, litigation support, legal, and corporate finance services, and that it should include application material to provide examples of:

- Factors to evaluate advocacy threats created by providing such NAS; and
- Actions that might address those advocacy threats.

Consistency Matters

During the meeting, the Board agreed to several drafting refinements aimed at achieving consistency throughout the various Parts and Sections within the restructured Code.

SUBSTANTIVE MATTER RELATING TO APPLICABILITY OF PART 2 TO PAS IN PUBLIC PRACTICE (PAPPs)

Contractors

An IESBA member raised concerns about including the term “contractor” in paragraphs R120.4³ and R300.5⁴ as follows: “Where an individual who is a professional accountant in public practice is performing professional activities pursuant to the accountant’s relationship with the firm, whether as a contractor, employee or owner, the individual shall comply with the provisions in Part 2 that apply to these circumstances.” The IESBA member was of the view that contractors are covered under the definition of professional accountants in business (PAIBs) and that including them in paragraphs R120.4 and R300.5 would result in an implicit revision to the current definition of a PAPP in the Code. It was also argued that while the use of contractors may be part of a firm’s business model, referring to contractors in paragraphs R120.4 and R300.5 was premature as the Board had not sufficiently analyzed the implications of doing so, particularly with respect to the provisions in Part 3.

Dr. Thomadakis noted the need for a strong reason to reverse the Board’s decision at the September 2017 meeting to include the word “contractor” in paragraphs R120.4 and R300.4. Ms. Agéllii reaffirmed the Task Force’s recommendation to retain the word “contractor” in the draft, which all but one IESBA member supported. It was noted in particular that:

- The term should be kept as it recognizes an increasingly common way for firms to operate. In addition, in some jurisdictions, individual PAPPs are only able to work as contractors for their firms and not as employees.

³ Part 1 – Complying with the Code, Fundamental Principles and Conceptual Framework, Section 120, *The Conceptual Framework*

⁴ Part 3 – Professional Accountants in Public Practice, Section 300, *Applying the Conceptual Framework – Professional Accountants in Public Practice*

- The inclusion of the term provides clarity regarding whether or not contractors are affected by the applicability provisions.
- The requirement paragraph explicitly relates to PAPPs only, and therefore should not draw in the definition of a PAIB.

Dr. Thomadakis observed that contracting is becoming a widespread practice in firms, especially given the rapid developments in technology. He believed that the inclusion of the term will provide a good platform for the Board to address the topic of service delivery models in the future.

After further deliberation, the Board determined that the objective of the Applicability project would be met by clarifying that the applicability of the provisions in Part 2 to individual PAPPs should encompass PAs regardless of their relationship with the firm (whether as a contractor, employee or owner). The Board noted that there are varying views about whether the provisions in Part 3 of the Code should apply to contractors, and determined that further consideration of the issue warrants a broader review of the definition of a PAPP, which is outside the scope of the Applicability project.

SUBSTANTIVE MATTERS RELATING TO PS (SHORT TERM)

Mr. Fleck explained the nature of the revisions made to the September 2017 draft. He then summarized the comments received from the IAASB representatives of the tripartite IAASB-IESBA-International Accounting Education Standards Board (IAESB) PS Working Group. He noted that many of those comments were in the nature of drafting refinements and had been considered by the Task Force as part of developing the revised draft text. For example, the IAASB representatives had suggested using a phrase other than “obtain an understanding” in the draft text on the grounds that it is used in the International Standards on Auditing (ISAs) in the specific context of an audit of financial statements. The Task Force did not believe it would be appropriate to do so as the term was undefined in the ISAs and was already used in many other places in the Code.

Among other matters, the following were raised.

- An IESBA member questioned whether the PS application material might be confused to be part of the description of the fundamental principles. To address this concern, the IESBA agreed to several refinements and clarifications, including making a specific link to refer to the description of the fundamental principles in Section 110.⁵
- Some IESBA members suggested that the specific examples demonstrating how the fundamental principles of integrity, objectivity and professional competence and due care support the exercise of PS should be further streamlined and clarified. In response, the IESBA agreed to further refinements to paragraph 120.13 A2.
- A few IESBA members wondered how the Code deals with “*inherent bias*” and questioned whether more guidance is needed. The IESBA noted that this is matter outside the scope of the short-term project and could be considered as part of the longer term project on PS.

CONSIDERATION OF FURTHER ISSUES

In respect of each of the Structure, Safeguards, PS (short-term) and Applicability projects, the Board considered and concluded that there were no further issues raised by respondents, in addition to those

⁵ Section 110, *The Fundamental Principles*

summarized by the respective Task Forces, which should have been discussed by the Board. Messrs. Thomson, Hannaford and Fleck and Ms. Agélii confirmed that all significant matters identified by their respective Task Forces as a result of their Task Forces' deliberations since the beginning of their projects, and their Task Forces' considerations thereon, had been brought to the Board's attention.

DUE PROCESS

Mr. Siong advised the Board that up to and including this meeting, the Board had adhered to its stated due process in finalizing the text from each of the four projects.

APPROVAL

After agreeing all the necessary changes to the text from each of the four projects, the Board approved the revised text of the restructured Code as a final pronouncement as follows:

- In respect of the structural and drafting enhancements developed under the Structure of the Code project, with the affirmative votes of 16 out of the 16 members present.
- In respect of the revisions to the provisions pertaining to safeguards in the Code, developed under the Safeguards project, with the affirmative votes of 16 out of the 16 members present.
- In respect of the revisions to clarify the applicability of the provisions in Part C of the extant Code to PAPPs, developed under the Applicability project, with the affirmative votes of 15 out of the 16 IESBA members present and one abstention.
- In respect of the new application material relating to PS and professional judgment, developed under the PS (short-term) project, with the affirmative votes of 16 out of the 16 members present.

CONSIDERATION OF THE NEED FOR RE-EXPOSURE

The Board assessed whether there was a need to re-expose the approved text from each of the four projects. The Board agreed that the changes made to each respective ED(s) were in response to the comments received from respondents and did not fundamentally change the principles in the ED(s) or represent other changes of substance. Therefore, in respect of the approved text from each of the four projects, the Board determined that re-exposure was not necessary.

SUBMISSION FOR PIOB APPROVAL

The approved text of the restructured Code will be presented for PIOB approval at its March 2018 meeting, and subject to that approval, released in April 2018. To facilitate early implementation activities, the Board asked that Staff publish the approved text of the restructured Code on the IESBA website by the end of January 2018.

EFFECTIVE DATES

After careful deliberation, balancing the need to allow sufficient time for implementation while not unduly delaying when substantive improvements to the Code become effective, the IESBA determined to set the effective date of the restructured Code as follows:

- Parts 1, 2⁶ and 3 effective as of June 15, 2019.
- Part 4A⁷ effective for audits and reviews of financial statements for periods beginning on or after June 15, 2019.
- Part 4B⁸ relating to assurance engagements with respect to subject matter covering periods, effective for periods beginning on or after June 15, 2019; otherwise, effective as of June 15, 2019.

The Board also agreed to permit early adoption of the restructured Code.

The Board acknowledged that many jurisdictions need to undertake their own national due processes for adoption and therefore, the effective date it sets serves only a guiding role in those circumstances as the national standard setters will specify the effective dates of their adopted versions of the Code when these are finalized.

Long Association Provisions

With respect to the revised long association provisions which the IESBA made available on its website in January 2017 as a "[close-off document](#)" under the previous structure and drafting conventions, pending completion of the restructuring effort, the IESBA agreed to make a modification to the effective date it had previously communicated in response to feedback from a respondent to Structure ED-2. Accordingly, the effective date for the revised long association provisions in extant Sections 290 and 291 is as follows:

- (a) Subject to the transitional provision in (c) below, paragraphs 290.148⁹ to 290.168 are effective for audits of financial statements for periods beginning on or after December 15, 2018.
- (b) For assurance engagements covering periods, paragraphs 291.137¹⁰ to 291.141 will be effective for periods beginning on or after December 15, 2018; otherwise, they will be effective as of December 15, 2018.
- (c) Paragraph 290.163 shall have effect only for audits of financial statements for periods beginning prior to December 15, 2023. This will facilitate the transition to the required cooling-off period of five consecutive years for engagement partners in those jurisdictions where the legislative body or regulator (or organization authorized or recognized by such legislative body or regulator) has specified a cooling-off period of less than five consecutive years.

The effective date of the restructured Code does not override the modified effective date of the revised [Long Association provisions](#) in extant Sections 290 and 291 as set out above.

CHAIRMAN'S CONCLUDING COMMENTS

Dr. Thomadakis congratulated the Board on its approval of the restructured Code. He reflected on the journey the Board had traveled over the last four years to reach this point. He thanked the Task Forces, IESBA members, Technical Advisors and staff for their individual and collective contributions. In particular,

⁶ Part 2 – Professional Accountants in Business

⁷ Part 4A – Independence for Audit and Review Engagements

⁸ Part 4B – Independence for Assurance Engagements Other than Audit and Review Engagements

⁹ Extant Part B – Professional Accountants in Public Practice, Section 290, *Independence – Audit and Review Engagements*

¹⁰ Extant Part B, Section 291, *Independence – Other Assurance Engagements*

he complimented the Task Force Chairs on their effective leadership of their respective projects, and their close coordination with each other in achieving this significant milestone.

3. PS – Long Term Initiative

Mr. Fleck updated the Board on the status of the longer-term PS initiative, which seeks to respond to calls among stakeholders to explore the applicability of the concept of PS to all PAs. He explained that the IAASB and the IAESB are progressing separate initiatives on PS and that the IESBA Working Group would coordinate efforts on the topic with the two other Board's working groups.

Mr. Fleck then walked through the Task Force's proposed way forward on the initiative, which involves the development of a consultation paper to obtain stakeholder input about key PS issues. He explained that, among other matters, the consultation paper would explore the specific behavioral characteristics that the public expects of all PAs, and whether and how to elaborate on the relationships between those behavioral characteristics and the fundamental principles.

In broadly supporting the proposed direction, IESBA members raised the following for the Working Group's further consideration, among other matters:

- Whether the proposed approach, while intellectually appealing, would be accepted by stakeholders as a credible response to the PS issues, and whether it would change how PAs behave in practice.
- Notwithstanding the support for shifting the focus of the longer-term PS initiative towards explaining the behaviors that encompass what it means to be a PA, the consultation paper should still refer to PS to maintain a clear link to the impetus for the initiative.
- Whether an initiative that focuses on what it means to be a PA and how that relates to the public interest might evolve into a project dealing with the public interest. In this regard, a few IESBA members cautioned against creating the impression that the IESBA would be undertaking a project on defining the public interest.
- The implications of undertaking this initiative at the same time as rolling out the restructured Code. In particular, a few IESBA members wondered whether the consultation paper might undermine the rollout efforts to communicate the importance of complying with the fundamental principles and the enhanced provisions in the conceptual framework.
- Whether the initiative was seeking to revise the provisions in the Code, or whether it would be establishing guidance to support the application of what is already required by and dealt with in the Code.

Mr. Muis noted that the PIOB believes that the concept of PS should be more prominently featured in the Code and should apply to all PAs, including those who prepare financial statements. He pointed out that some regulators have inventoried the "compliance deficits" relating to PS and that this information might help inform the longer-term PS initiative. He supported the Working Group's proposal to consider the longer-term PS issues broadly, in particular in light of the changing roles and expectations of PAs.

The Board asked that the Working Group consider renaming the initiative so that it better signals the proposed approach, and how the proposals respond to stakeholders' concerns about PS.

Dr. Thomadakis encouraged the Working Group to keep open lines of communication with representatives of the IAASB and the IAESB in relation to their PS initiatives to ensure that the three boards continue to coordinate their efforts in addressing the concerns of the broad stakeholder community on PS.

WAY FORWARD

The Board asked that the Working Group present a “first-read” draft consultation paper at the March 2018 IESBA meeting.

4. Strategy and Work Plan 2019-2023 (SWP)

Dr. Thomadakis introduced the topic, outlining the context for developing the Board’s future strategy, the environmental factors that influence the identification of strategic issues and priorities, and the main outcomes of the September 2017 Board discussion. Mr. Siong then led the Board through the PC’s proposals as set out in the draft SWP consultation paper, including:

- A proposed vision for the future Code.
- Proposed strategic themes.
- Criteria for the development of a work plan.
- Key areas of focus in managing the delivery of the SWP.
- Pre-commitments.
- Proposed work plan.

Mr. Siong also reported on the outcome of the discussions with the CAG the previous week, including CAG Representatives’ views about what should be the top five or six standard-setting topics the IESBA should prioritize as part of its future SWP.

IESBA members were broadly supportive of the PC’s proposals. Among other matters, the following were raised for the PC’s further consideration in refining the draft consultation paper:

PROPOSED VISION FOR THE CODE

- Consideration should be given to pitching the vision at a higher level, focusing on the fundamental principles, and the concepts of values, trust and the public interest.
- Some of the terms used in the articulation of the proposed vision could be clarified, for example, the phrases “robust Code” and “raising the ethical bar.”
- In relation to the reference to technology and innovation, the focus seemed to be more on process than strategy.

An IESBA member wondered whether there would be merit in given greater prominence in the consultation paper to how the Board is focused on some of the key issues discussed in the [Monitoring Group’s](#)¹¹ November 2017 consultation paper, [Strengthening the Governance and Oversight of the International Audit-related Standard-setting Boards in the Public Interest](#) (MG proposals), for example, the independence of the IESBA, and timeliness of standard setting. Dr. Thomadakis cautioned against giving the impression that the SWP consultation paper is a defense against the MG proposals.

Mr. Muis questioned whether more could be done to identify the “burning platform,” not only in terms of what ethics can do in the normal course of business but also in terms of the present state of the profession;

¹¹ Members of the Monitoring Group are: International Organization of Securities Commissions, Basel Committee on Banking Supervision, European Commission, Financial Stability Board, International Association of Insurance Supervisors, International Forum of Independent Audit Regulators, and the World Bank Group

and what might be feasible in terms of analyzing the “compliance gaps” that have been identified in the inspection reports of audit oversight bodies such as the International Forum of Independent Audit Regulators (IFIAR). He suggested that there might be merit in understanding which inspection findings suggest the need for additional guidance (i.e. caused by a “failed toolkit”) versus those that relate to a failure to comply with a requirement in the Code. He also acknowledged that while the IESBA cannot force global adoption of the Code, it does have a role in promoting awareness and effective implementation of the Code.

In response, Mr. Fleck noted that the scope of the SWP is limited to the IESBA’s remit and reflects the results of the SWP survey. Dr. Thomadakis added that the Board cannot control compliance gaps, but rather considers revisions, as appropriate, to make the Code as understandable and as enforceable as possible. He noted that this was a key objective of the Structure and Safeguards projects. Dr. Thomadakis also noted that the Board is very interested in understanding the underlying reasons behind inspection findings insofar as ethics and independence are concerned, and has encouraged IFIAR and other audit oversight authorities to direct their inspection activities to generate such information.

PROPOSED STRATEGIC THEMES AND WORK PLAN

In addition to structural and editorial changes, it was suggested that consideration be given to:

- Highlighting what is new and strategic.
- Addressing potential overlaps between identified priorities, for example, NAS and Fees, and NAS and materiality, and the implications of these overlaps on resourcing, coordination and timing in developing the Work Plan.
- With respect to rollout and Implementation of the restructured Code, allocating ample resources to this initiative.
- With respect to Technology, describing the deliverables anticipated from the Working Group and whether the Working Group will seek to answer preliminary questions about scope and direction.
- With respect to the topic of Materiality, liaising with the International Accounting Standards Board (IASB) in light of their recently issued [guidance](#) on how to make materiality judgments, as well as exposure drafts considering clarifications about the [definition](#) of “material” information in financial statements.
- With respect to the topic of Tax Planning, whether the proposed start in 2021 might be too late given the prominence of the issue of aggressive tax avoidance in the public mind. It was also noted that it will be important for the IESBA to be timely and strategic in its communications in progressing this initiative.

ADOPTION AND IMPLEMENTATION

IESBA members made a number of suggestions to enhance the approach for the Board’s outreach program. For example, it was suggested that a more strategic and structured approach be taken, and that there should be an enhanced focus on promoting awareness of the provisions that apply to PAIBs. Dr. Thomadakis noted that this could be done as part of the rollout and implementation of the restructured Code.

The Board acknowledged the importance of outreach to support the effective implementation of the restructured Code and encourage its adoption, not only in jurisdictions that have already adopted the extant Code, but also in jurisdictions that are still considering the merits of adoption.

WAY FORWARD

The Board asked the PC to present a revised draft of the consultation paper for consideration with a view to approval at the March 2018 IESBA meeting.

5. Restructured Code – Rollout Initiatives

Messrs. Thomson and Hannaford presented the thoughts of the Structure and Safeguards Task Forces on the rollout of the restructured Code. They noted the need for a coordinated approach to promote awareness of the restructured Code and provide tools to assist global adoption and effective implementation.

Among other matters, the following suggestions were made:

- It is important that the IESBA is focused, organized and strategic in the rollout of the restructured Code. In this regard, it was suggested that those involved in the Board's standard-setting process (e.g., IESBA members, Technical Advisors, the CAG and national standard setters) should be mobilized to assist in the rollout. It was also suggested that IFAC and IESBA Staff have an important role in summarizing in a "plain English" manner, the changes to the extant Code; how the restructured Code should be used; and how its enhanced provisions will further the public interest.
- Providing tailored information to emphasize key aspects of the changes to the various categories of PAs as well as other stakeholders (investors and other users, regulators and audit oversight authorities, firms, etc.).
- The IESBA should focus its efforts on promoting awareness of the restructured Code among G20 countries with a view to encourage its adoption within those jurisdictions.
- Consideration should be given to identifying "champions" in various regions to lead efforts in disseminating information about the restructured Code, tailored to the particular jurisdictions.
- Aiming specific promotion efforts at raising awareness about, and effective implementation of, the restructured Code among small-medium entities (SMEs) and small and medium practices (SMPs).

In relation to adoption, Dr. Thomadakis noted that many jurisdictions will have to undergo their normal "due process" activities, which might involve regional and national consultations, the timing of which will vary and will affect the adoption and implementation of the restructured Code.

In recognition of the importance of having a structured approach to the rollout of the restructured Code, the Board agreed to establish a Rollout and Implementation Working Group, to be chaired by Ms. Gibson.

6. Coordination with Other Standard-setting Boards

Mr. Siong reported on the coordination activities between IESBA and IAASB staff following the joint meeting of the two Boards in September 2017. Among other matters, he noted the following:

- The Coordination Framework document setting out the main principles for coordination between the IAASB and IESBA had been revised based on the input received at the September 2017 joint session of the two Boards, and had been reviewed by the PC. The draft would also be circulated to the IAASB's Steering Committee for final comments. Once finalized, the document will be circulated to the two Boards for information.
- The inventory of topics/matters that require coordination is being refined by the staff of the two Boards working together. The joint staff has also established a process to facilitate routine updates to the inventory.

- Staff of the two Boards anticipate working together to develop a dedicated webpage on coordination each Board's website. This would include, among other matters, a summary of the key principles underpinning the coordination efforts, and the topic areas on which the Boards have already committed to coordinate. The webpage will include links to relevant Board meeting agenda papers, and any other information that might be useful in adding transparency to the coordination process.

In relation to the topic of PS, Mr. Siong noted that coordination efforts are ongoing and that:

- For the short-term project, the IAASB representatives of the PSWG had provided input of a "fatal-flaw" nature on the December 2017 proposed text which was then taken into account in finalizing the text.
- For the longer-term initiative, a teleconference had been scheduled among the IESBA, IAASB and IAESB staff to discuss the three Boards' PS initiatives with a view to developing a coordinated timeline.

7. PIOB Observer's Remarks

Mr. Muis congratulated Dr. Thomadakis, IESBA members, and staff on the expertise and professionalism they displayed during the meeting, and on achieving the really important milestone of finalizing the restructured Code. He was impressed by the intensity of work displayed by Task Forces and staff, and the energy behind the future work of the Board.

Mr. Muis expressed support for the pre-existing commitments relating to NAS, fees and PS. He suggested that the IESBA consider how to package the three initiatives so that they are more closely aligned to the public interest issues that have been cited by regulators and the PIOB.

Finally, he also noted that the meeting took place against the backdrop of business as usual in the context of the Monitoring Group review and that in his view, the deliberations and final conclusions of the Monitoring Group will likely impact the IESBA's activities in 2018.

8. Next Meeting

The next Board meeting is scheduled for March 12-14, 2018 at the IFAC Offices in New York, NY, USA.

9. Closing Remarks

On behalf of the Board, Dr. Thomadakis bid farewell to retiring IESBA members Mss. Agélie and Kateka, and Messrs. Hannaford and Marchese, as well as Technical Advisors Mss. Dunning and Sakshaug, thanking them for their contributions to the Board's work.

Dr. Thomadakis thanked IESBA participants for their contributions to the meeting and conveyed his best wishes for the holiday season. He wished all participants a safe journey home and then closed the meeting.