

Meeting: IESBA
Meeting Location: New York, USA
Meeting Date: September 26-30, 2016

Agenda Item

4

Review of Part C of the Code— Restructured Phase 1 Close-Off Document and Phase 2 Issues

Objectives of Agenda Item

1. To consider:
 - (a) Revised proposed text to clarify the applicability of the provisions in Part C¹ of the extant Code to professional accountants in public practice (PAPPs);
 - (b) A revised draft of the restructured text of the Phase 1 close-off document, *Changes to Part C of the Code Addressing Preparation and Presentation of Information and Pressure to the Breach of the Fundamental Principles*;²
 - (c) Issues arising from developing safeguards-specific conforming amendments to the Phase 1 close-off document; and
 - (d) Issues and Task Force proposals relating to the enhancements of the provisions in the extant Code pertaining to inducements.³

Task Force

2. Members:
 - Helene Agélii, Chair, IESBA Member
 - Joyce Evans, IFAC Professional Accountants in Business (PAIB) Committee Member
 - Claire Ighodaro, IESBA Member
 - Robert Juenemann, IESBA Member

¹ Extant Part C, *Professional Accountants in Business*

² The Part C Phase 1 close-off document was approved at the November/ December 2015 IESBA meeting based on the drafting conventions in the extant Code. It includes the following new or revised sections:

- Section 320, *Preparation and Presentation of Information*;
- Section 370, *Pressure to Breach the Fundamental Principles*;
- Section 300, *Introduction*;
- Section 310, *Conflicts of Interest*;
- Section 330, *Acting with Sufficient Expertise*; and
- Section 340, *Financial Interests, Compensation and Incentives Linked to Financial Reporting and Decision Making*.

³ Extant Section 350, *Inducements*

- Lisa Snyder, IESBA Member

Activities since Last IESBA Discussion

3. The Task Force held one physical meeting and a teleconference to consider the input received from the June 2016 IESBA meeting and to prepare the agenda materials for this meeting.

Material Presented

- Agenda Item 4-A Applicability of Part C to PAPPs and Restructuring of Phase 1 Close-off Document
- Agenda Item 4-B Proposed Restructured Part B, *Professional Accountants in Business* (Clean)
- Agenda Item 4-B.1 Proposed Restructured Part B, *Professional Accountants in Business* (Marked from June 2016 IESBA Discussion)
- Agenda Item 4-C Part C Phase 1 – Mapping Table
- Agenda Item 4-D Issues Paper – Section 350, *Inducements*

Draft of Restructured Close-off Document to be Discussed at the Meeting

4. The Task Force proposes that the mark-up draft (**Agenda Item 4-B.1**) be discussed at the meeting.

Action Requested

5. IESBA members are asked to consider the matters set out in **Agenda Items 4-A** and **4-D**, and to provide feedback and direction to the Task Force.

Forward Timeline

6. For information, the tentative forward timeline for the project over the next 12 months is as follows:

Indicative Timing	Milestone
Phase 1	
December 2016	Approve ED Phase 1 restructured text (to be included in Structure ED-2)
June 2017	Update
Sept 2017	Consideration of significant comments on exposure
Phase 2	
December 2016	First read
March 2017	Approve ED Phase 2
Sept 2017	Consideration of significant comments on exposure