

**DRAFT IESBA STRATEGY AND WORK PLAN, 2019-2023
CONSULTATION PAPER**

About the IESBA

The International Ethics Standards Board for Accountants (IESBA) is a global independent standard-setting board. The IESBA's mission is to serve the public interest by setting ethics standards, including auditor independence requirements, that seek to raise the bar for ethical conduct and practice for all professional accountants (PAs) worldwide through a robust, globally operable *International Code of Ethics for Professional Accountants (Including International Independence Standards)* (the Code).

The IESBA believes that a single set of high-quality ethics standards can enhance the quality and consistency of services provided by PAs throughout the world, thereby contributing to public trust and confidence in the accountancy profession. The IESBA sets its standards in the public interest with advice from the IESBA Consultative Advisory Group (CAG) and under the oversight of the Public Interest Oversight Board (PIOB).

FOREWORD

By Dr. Stavros Thomadakis, IESBA Chairman

[To be added after March 2018 IESBA discussion]

Introduction

1. This consultation paper seeks views from all stakeholders on the IESBA's proposed strategy for 2019-2023, and the proposed actions and priorities (work plan) to implement the strategy. The IESBA invites comments on any aspect of its proposed strategy and work plan (SWP).
2. This Consultation Paper sets out the following:
 - I. **Vision for the Code and Strategic Themes** – The IESBA's vision for the Code and the strategic themes that will guide its actions in pursuit of this vision over the strategy period.
 - II. **Key Considerations Guiding the Establishment of the Work Plan** – The criteria and key factors that affect the determination of potential actions in the strategy period and the relative priorities of those actions and their timing.
 - III. **Managing Delivery of the Strategy and Work Plan 2019-2023** – How the IESBA expects to manage delivery of the SWP within its given capacity and resources.
 - IV. **Proposed Actions, Priorities and Timing** – Identified actions, priorities and timing aligned to the strategic themes.

I. Vision for the Code and Strategic Themes

The IESBA's vision is for the Code to lay a foundation of strong ethical principles, values and standards to underpin trust in the global accountancy profession in a dynamic world, and to enable it to act in the public interest.

3. The IESBA's pursuit of this vision during the period 2019-2023 will be supported and guided by the following four strategic themes:
 - (a) **Maintaining a global Code that is relevant and fit for purpose;**
 - (b) **Raising the ethical bar through further strengthening the Code;**
 - (c) **Raising the ethical bar through increasing global adoption and effective implementation of the Code; and**
 - (d) **Proactively engaging and seeking cooperative avenues with key stakeholders.**
4. Each of the strategic themes is discussed below. In addition, the IESBA will continue to vigorously promote the fundamental principles and the conceptual framework which are the stable pillars underpinning the Code.
5. The IESBA intends its SWP to be dynamic. New developments may call for a reconsideration of the strategic themes or related actions and priorities to ensure that the IESBA's work is relevant and responsive to the public interest. Accordingly, the IESBA is committed to actively monitoring emerging developments that may require adjustments to its SWP.

Maintaining a Global Code that is Relevant and Fit for Purpose

6. Digital technologies have been rapidly transforming the landscape and ways in which companies and organizations operate. Big data and data analytics, emergent artificial intelligence, robotics, blockchain, cloud computing, mobile computing, social networks and new digital payment platforms, among others,

are becoming more mainstream. They also are highly interconnected. Such technologies enable companies and organizations to achieve economies of scale, competitive advantage through innovation and reinvention, global reach and faster time to market. These trends and developments are impacting the roles and responsibilities of PAs in a major way throughout the financial reporting supply chain. They create opportunities and challenges not only for accountancy firms (“firms”) and individual PAs in serving their clients or employing organizations, but also for the Code in remaining relevant as a foundation of public trust in the work of firms and individual PAs.

7. These trends and developments directly impact the Code in two overarching respects:
 - (a) The continuing robustness of the fundamental principles and the relevance and appropriateness of key concepts and terms in the Code; and
 - (b) The ethical implications of changing modes and patterns of business and work caused by technological disruptions and innovation.
8. The IESBA therefore intends to study the implications of these major trends and developments, and take any standard-setting action that may be appropriate to ensure that the Code remains relevant and fit for purpose. The desired outcome is for the Code to continue to provide a trusted ethical compass to firms and PAs as they upgrade their skills and adapt their services and activities in today’s technological age.
9. The IESBA itself will also consider how best to leverage developments in digital technology to achieve wider reach and easier use and access for the Code. In this regard, the IESBA envisions an e-Code with enhanced functionality that will provide ready access and guidance to firms and PAs in addressing the ethical questions or challenges they may face.
10. More broadly, the IESBA will also continue to examine the ethical implications of any regulatory developments internationally and any major shifts in public expectations or trends in areas of economic activity that rely on the services of PAs.

Raising the Ethical Bar through Further Strengthening the Code

11. Setting high-quality ethics standards for both PAs in public practice (including auditors) (PAPPs) and PAs in business (PAIBs) is the essence of the IESBA’s role in the public interest. The IESBA believes that the recent revision and restructuring of the Code have indeed significantly strengthened the Code.
12. However, the IESBA is also cognizant that new questions or issues may arise in the fluid, dynamic external environment that might reveal potential gaps in the Code or areas in need of further strengthening. Already, in response to stakeholder feedback and input from the PIOB, the IESBA has launched initiatives to study whether there is a public interest need to further develop or strengthen the Code to address the topics of (i) professional skepticism, (ii) the provision of non-assurance services to audit clients, and (iii) fees charged by audit firms (see Appendix 1 for further details).
13. In addition, in the context of auditor independence, the IESBA believes now is the time to review the adequacy of the definition of a public interest entity (PIE) in the Code given regulatory developments in this area in some major jurisdictions as well as calls from some regulatory stakeholders regarding whether the extant definition continues to be fit for purpose. Equally, developments in capital markets around the world and how they are regulated have raised questions about the clarity of the definition of a listed entity in the Code.

14. Questions have also been raised by some within the regulatory community regarding whether the concept of materiality in the Code is sufficiently clear as it applies to areas such as business relationships and financial interests.
15. Further, as societal expectations evolve, there have been public concerns about perceptions of some entities employing “aggressive tax avoidance” strategies, and whether such strategies are ethically justifiable. The questions that have been raised have implications for both PAPPs and PAIBs in relation to the advice or support they provide to their clients or employing organizations in the area of tax planning and related services.
16. These are specific areas that the IESBA will seek to study to determine whether standard-setting or other action is warranted to further raise the ethical bar and maintain a robust the Code.

Raising the Ethical Bar through Increasing Global Adoption and Effective Implementation of the Code

17. Globally recognized and accepted ethics standards serve the public interest because they establish a universal baseline for PAs around the world regarding the ethical conduct expected of them vis-à-vis their clients and employing organizations. Further, global independence standards provide for a consistent understanding among investors, public authorities and others as to what it means for an auditor to be independent, thereby leading to increased public trust in auditors’ reports.
18. To date, the Code has been adopted or is used as a basis for national ethics standards or the ethical codes of professional accountancy organizations in over 120 jurisdictions around the world, including 16 among the G-20. In addition, the 27 largest networks of firms around the world that comprise the [Forum of Firms](#) have aligned their policies and methodologies to conform to the Code for transnational audits. These statistics are a strong endorsement for the Code and its principles-based approach. However, with the finalization of the restructuring and substantive revision of the Code at the end of 2017, the IESBA sees a clear imperative to raise the ethical bar by vigorously promoting global adoption of the restructured Code.
19. In this regard, the IESBA will prioritize major outreach and communication activities to raise awareness of the restructured Code and the substantive improvements it contains.¹ The IESBA is aware that many jurisdictions have been progressing towards adoption at different speeds for a number of reasons. These include not only issues of capacity and fragmented responsibilities for ethics standards at the national level, but also clear concerns among stakeholders regarding the understandability, translatability, ease of use and enforceability of the extant Code. The IESBA believes that the restructured Code responds comprehensively to these concerns. Accordingly, it is in the public interest that jurisdictions adopt the restructured Code at the earliest opportunity.
20. To this end, the IESBA will pursue close engagement with the IFAC [Compliance Advisory Panel](#) regarding adoption of the restructured Code by IFAC member organizations. The IESBA will also seek endorsement of the restructured Code by national and international regulatory organizations.
21. In addition, the IESBA will dedicate efforts to facilitate effective implementation of the restructured Code, recognizing that it contains major improvements in areas such as non-compliance with laws and

¹ For details about when the restructured Code (including substantive improvements) becomes effective, see <http://www.ethicsboard.org/restructured-code>.

regulations (NOCLAR), the conceptual framework and safeguards, long association, inducements and pressure to breach the fundamental principles.

22. While the IESBA believes that it will have substantively addressed stakeholders' concerns about the clarity and enforceability of the Code through the restructuring project, it will monitor the effective implementation of the restructured Code. It will be important for the IESBA to hear about any implementation challenges in this regard. The IESBA also envisions a post-implementation review towards the latter part of the strategy period to determine whether the objectives of the restructuring project have been met.

Proactively Engaging and Seeking Cooperative Avenues with Key Stakeholders

23. The development of high-quality ethics standards benefits immensely from the input of the IESBA's wide range of stakeholders globally. To ensure that the Code continues to be, and be seen to be, a world class Code for the accountancy profession globally, the IESBA will proactively engage with its key stakeholders and seek cooperative avenues with them.
24. A major axis of cooperation will be with the International Auditing and Assurance Standards Board (IAASB). The IESBA and IAASB have agreed to a set of principles and related criteria [\[link to be added\]](#) to guide their interactions on matters of common interest going forward. The two boards have also begun a practice of meeting together annually to discuss matters of mutual relevance, in addition to more regular interactions at the staff, task force or working group, and leadership levels. This enhanced level of strategic and technical coordination is necessary because of the increasing extent to which the standards of both boards need to be coordinated on common or overlapping topics or areas, and because many jurisdictions adopt both boards' standards. To a lesser degree but equally important, the IESBA will seek cooperation avenues with the International Accounting Education Standards Board (IAESB).
25. The IESBA will also continue to prioritize close engagement with its National Standard Setters (NSS) liaison group² and seek opportunities for cooperation or collaboration on topics or initiatives of mutual interest. More broadly, the IESBA will pursue proactive engagement and closer working relationships with other key stakeholder groups, including regulators and audit oversight bodies, investors and those charged with governance, firms and IFAC member bodies.
26. Recognizing that PAIBs represent a large proportion of the profession in many jurisdictions, the IESBA will dedicate a specific focus on engaging closely with the IFAC PAIB Committee as a global representative group for this important constituency. At the same time, the IESBA believes that it is important to take into account the particular perspectives of the small and medium practice (SMP)/small-and medium-sized entity (SME) constituency when it sets standards. It therefore envisions continued close liaison with the IFAC SMP Committee, recognizing the need to balance the burden of change to the Code and the likely benefit to the public interest.
27. The IESBA also recognizes the importance of evidence-based standard setting, i.e., basing standard-setting activities on appropriate research and evidence of issues to be addressed. The academic and audit oversight communities can play valuable roles in this regard through their research and audit inspection activities, respectively. Such activities may yield empirical evidence as input to the IESBA's consideration of future standard-setting initiatives. Already, the IESBA has benefited from [input](#) from an

² The IESBA-NSS liaison group comprises NSS from Australia, Brazil, Canada, China (mainland), France, Germany, Hong Kong SAR, India, Japan, the Netherlands, New Zealand, Russian Federation, South Africa, UK and USA.

academic in connection with fact finding regarding its Fees initiative, and engaged in discussions with the audit oversight community regarding how best to leverage its inspection work. The IESBA anticipates further strengthening its relationship with both stakeholder groups in the medium term.

II. Key Considerations Guiding the Establishment of the Work Plan

Criteria for Determining Actions and Priorities

28. The IESBA's determination of standard-setting or other actions to add to its Work Plan 2019-2023 and their priorities under the four strategic themes described above depends on a number of criteria. These include:
- The benefits to the public interest of undertaking the particular action, including the extent to which the action will:
 - Further enhance public trust in the Code and the global accountancy profession.
 - Further raise the ethical bar by supporting public interest outcomes, including compliance with the fundamental principles, strengthened auditor independence, increased global adoption and more effective implementation of the Code.
 - The pervasiveness of the matter in terms of the extent to which it impacts the global profession.
 - The degree of urgency in addressing it, and the potential implications for the public interest if action is not taken or is delayed.
 - The global relevance of the particular matter.
 - The feasibility of undertaking the action within a realistic timeframe.

Factors that Affect Timelines within the Work Plan

29. Various factors affect the timelines of new actions within the work plan, including:
- The nature and complexity of the particular matter being addressed.
 - Whether prior fact finding or consultation with stakeholders is needed to establish a basis for standard setting.
 - Board and agenda capacity (see Managing Delivery of SWP 2019-2023 below).
 - The need for coordination with other standard-setting boards, in particular the IAASB and IAESB.
30. The need to adhere to due process is a factor that influences the duration of projects. Projects may take from 12-36 months to complete, depending on their nature and complexity, and the need for research and stakeholder consultation prior to issuance of an exposure draft.

Questions

1. Do you agree with the four strategic themes in support of this vision for the period 2019-2023? If not, please explain why.
2. Do you agree with the proposed criteria for the IESBA to determine its actions and priorities over the strategy period?

III. Managing Delivery of the Strategy and Work Plan 2019-2023

31. The proposed SWP is ambitious, and draws on the full capacity of the IESBA to deliver high-quality standards in a timely manner. The IESBA's current capacity includes:
- A remunerated independent Chair and seventeen volunteer members, with each volunteer member committing approximately 325 – 570 hours annually (excluding travel) to his or her work on the Board. Most Board members in turn are supported by technical advisors.
 - An experienced full-time technical team of seven staff and administrative team of two staff, with administrative structures and processes supported by IFAC.
 - An annual operating budget that supports staffing, meeting, travel and other direct costs necessary for the IESBA to execute its strategy and carry out its work plan.
32. Managing delivery of the SWP within resources and with due consideration of the external context in which the IESBA operates is a priority of IESBA leadership. Key focus areas include:
- The independence of the IESBA and the strength of its reputation, and global acceptance of the Code—managed through:
 - A close and proactive dialogue with the PIOB and the IESBA CAG, including responsiveness to their advice, observations and recommendations, and a steadfast commitment to developing high-quality standards in the public interest;
 - Fully transparent standard-setting activities, adherence to due process including broad public consultation on all proposed standards, and a focus on responsiveness to public feedback;
 - Ongoing commitment to ensuring both the quality and timeliness of delivery of new standards. This includes developing high-quality principles-based standards that are globally operable; and
 - A robust and broad-based stakeholder outreach program, to understand stakeholder interests and needs.
 - Capacity at the leadership, volunteer and staff levels—managed through:
 - Optimizing Board plenary time, focusing debates on strategic issues while also addressing technical matters, and continuous improvement of effective and issues-focused material;
 - Use of task forces and working groups and, where appropriate, expert advisory groups to aid in standards development work;
 - Appointment through the independent nominations process of a diverse mix of Board members, with the requisite skills, experience, resources and capacity to contribute to the projects on the work plan;
 - Attracting, developing and retaining diverse, knowledgeable and highly qualified staff;
 - Reconsidering capacity and skills needed in the light of strategic priorities; and
 - Collaborating with national and other international standard-setting boards and leveraging their work and resources, including staff support when possible.

- Operational effectiveness and stability—managed through:
 - Leveraging technological tools and resources to enhance efficiency and effectiveness at the staff level; and
 - Using Board, Staff and other resources in a focused and effective manner.
 - Robust outreach and communication with stakeholders—managed through:
 - An extensive Chair, member and staff outreach program;
 - Fora such as the IESBA CAG and IESBA-NSS meetings and, where appropriate, global roundtables to discuss developments or issues of international relevance; and
 - Proactive coordination with other international standard setters, particularly the IAASB and IAESB.
 - Development and release of supporting communication material such as podcasts, video Q&As, fact sheets, At-a-Glance documents, and Q&A publications.
33. The IESBA will continue to monitor external developments and evaluate how changes may impact its approach to delivery of its SWP. This includes monitoring the growth of demands on the Board as adoption of the Code increases further.

IV. Proposed Actions, Priorities and Timing

34. This section provides an overview of proposed actions and related priorities and timing that the IESBA believes would best serve to fulfill its vision for the Code in the period 2019-2023, guided by the four strategic themes identified above, and taking into account the survey feedback received from stakeholders. Prerequisites to the IESBA starting a standard-setting project include appropriate research into the issues, a proper needs analysis, and consideration of a formal project proposal.

Pre-commitments

35. Arising from recently completed projects, or pursuant to matters raised by the PIOB, the IESBA has a number of pre-commitments related to standard setting or the Code more broadly that will likely continue beyond 2018 or start in the new strategy period. These include the following:

Topic	Scope
<i>Professional skepticism</i> – An initiative to explore the behavioral characteristics inherent in professional skepticism, whether those behavioral characteristics should be exercised by all PAs, and whether the Code should be further developed as a result.	Whole Code (PAPPs and PAIBs)
<i>Non-assurance services (NAS)</i> – A review of the independence provisions in the Code applicable to the provision of NAS to audit and assurance clients from a broad permissibility perspective.	International Independence Standards (IIS)

Topic	Scope
<i>Fee-related matters</i> – An initiative to explore fee-related matters raised by the regulatory community to determine whether there is a need for further enhancements to the Code or the commissioning of staff guidance.	Part 3 of the restructured Code applicable to PAPPs, and IIS
<i>NOCLAR post-implementation review</i> – A review of how effectively the implementation of the Code’s NOCLAR provisions around the world is meeting the objectives of the project.	Whole Code (PAPPs and PAIBs)
<i>Long association post-implementation review</i> – A review of how effectively the revised long association provisions in the Code are being implemented in practice.	IIS
<i>Consistency of Part 4B of the restructured Code (formerly extant Section 291³) with ISAE 3000 (Revised)⁴</i> – A review of Part 4B for any changes needed to make the provisions in that section consistent with the revised assurance terms and concepts in ISAE 3000 (Revised).	IIS
<i>E-Code</i> – An initiative to develop enhanced electronic features and tools to increase the accessibility and ease of use of the Code, leveraging appropriate digital platforms.	Whole Code (PAPPs and PAIBs)

36. Further details regarding these pre-commitments are set out in Appendix 1. These pre-commitments fit under the relevant strategic themes as further described below.

New Items

37. Based on respondents’ feedback to its strategy survey as well as discussions with stakeholders and its own deliberations, and having regard to its vision for the Code, the IESBA has identified the following new items as priorities for the strategy period 2019-2023:

Topic	Scope
<i>Clear Strategic Priorities</i>	
Trends and developments in technology	Whole Code (PAPPs and PAIBs)

³ Extant Section 291, *Independence – Other Assurance Engagements*

⁴ International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*

Topic	Scope
Emerging or newer models of service delivery	Part 3 applicable to PAPPs, and IIS
Tax planning and related services	Whole Code (PAPPs and PAIBs)
Other Priorities	
Definitions of public interest entity and listed entity	IIS
Materiality	IIS
Post-implementation review of the restructured Code	Whole Code (PAPPs and PAIBs)
Communication with those charged with governance	Part 3 applicable to PAPPs, and IIS
Documentation	Whole Code (PAPPs and PAIBs)

38. The following subsection elaborates on them as well as the pre-commitments and other actions of a more general or ongoing nature, linking them to the four strategic themes.

Proposed Actions for 2019-2023, and Priorities and Timing

Strategic Theme: Maintaining a Global Code that is Relevant and Fit for Purpose

Trends and Developments in Technology

39. Major trends and developments in technology such as data analytics, emergent artificial intelligence, robotics, blockchain, cloud computing, mobile computing and social networks are rapidly transforming businesses and economies and the future of work. The global accountancy profession and stakeholders at large are recognizing the pressing need to understand and address the implications of these trends and developments. Within the context of the profession, these transformations have already begun to cause disruptions in the business models of firms, including how they deliver professional services and how they charge for such services as well as how individual PAs perform their work. For example, data analytics is impacting how firms perform audit engagements, and blockchain is prompting organizations to reconsider how they approach transaction reconciliations which have traditionally been a significant accounting task. At the same time, cyber-security has become a strategic issue for businesses large and small, and a number of major jurisdictions in recent years have moved to introduce legislation or regulation regarding cyber-security to protect the personal information of individuals.
40. Given the need for a timely response, the IESBA has already established a working group in Q1 2018 to begin gathering an understanding of the transformative effects of these technological trends and

developments on the assurance, accounting and finance functions, and explore their ethical implications. Examples of questions that may need to be explored include the following:

- Would new ethics standards be needed to address emergent patterns of social behavior caused by technological disruptions within the various contexts in which PAs work?
- Would there be a need to reconsider the concept of independence of mind and the fundamental principles of integrity, objectivity and professional behavior when reliance is placed on machine anticipation, synthesis and deduction (for example, in the context of assessing audit evidence, providing strategic, financial or operational advice to clients, or preparing or presenting information)?
- Are there any ethical issues from developments in information and communication technologies, for example, with respect to compliance with data privacy or intellectual property laws and regulations, or in terms of compliance with the fundamental principle of confidentiality?
- Are there any ethical implications from newer types of services such as cyber-security advisory services or data analytics that firms may provide to clients?
- Are there any ethical implications with respect to ownership of data when the information is stored in the “cloud” or processed and transmitted by third party service providers located in different parts of the world?

41. Because of the breadth of the topic, the IESBA plans initially to take a diagnostic approach. Based on its working group’s findings and recommendations, the IESBA will determine the areas of highest priority, the scope of the related issues and how best to address them. As an understanding of the developments in technology may require specialist input and advice, the IESBA will consider the merit of establishing specific expert advisory panels. Depending on the nature of the issues, there may be more than one work stream that flows from this initiative, and they may be interrelated (see also subsection “Emerging or Newer Models of Service Delivery” below). Some of the issues might also have pervasive implications across the Code, particularly if they relate to fundamental principles or concepts in the Code.
42. The IESBA also plans to seek avenues of coordination with the IAASB and IAESB with respect to issues in this area that overlap the remits of the boards. In this regard, the IESBA notes that the IAASB has already established a working group on the topic of data analytics.
43. The IESBA anticipates receiving a preliminary report from its working group by Q2 2019, and a final report and recommendations by Q3 2019.

Emerging or Newer Models of Service Delivery

44. The IESBA will establish a working group to explore the ethical implications of emerging or newer models of service delivery such as managed services that firms may provide or outsourced services that firms may use, and the related ethical implications for any PAIBs who are involved in decisions about such services. Some of the changes are being influenced by rapid developments in technology and changing views on the future of work, for example, the use of so-called “contingent workers”⁵ in providing services

⁵ Contingent workers are generally freelancers, independent contractors, consultants, or other outsourced and non-permanent workers who are hired on a per-project basis. They can work on site or remotely.

to clients. The questions that arise might concern all five of the fundamental principles in the Code as well as independence, for example:

- While the Code prohibits firms from assuming management responsibility when providing NAS to audit clients, are there any particular threats to independence when firms enter into contracts to manage entire operating functions of client entities, such as company secretarial or corporate taxation?
- Are there any ethical implications such as threats to objectivity and conflict of interest issues at a staff level when firms absorb entire staff teams on their payroll from their clients as a result of entering into a contract for a managed service, for example, managing the corporate taxation function of a multi-national client?
- Are there any implications with respect to compliance with the fundamental principles when entities outsource parts or aspects of their accounting or finance functions to third party service providers located in or outside their jurisdictions?
- Are there any implications with respect to compliance with the fundamental principles and/or independence when firms rely on shared service centers based in or outside their jurisdictions for the performance of selected parts or aspects of professional services?
- What do the concepts of “office” and “engagement team” in the Code mean from an independence perspective when the organizational model and ways of working (e.g. flexible workforce, contingent workers) are changing and the concept of a physical office gradually becomes less relevant?

45. As a first step, the IESBA will seek to obtain a detailed understanding of firms’ evolving service delivery models. Given that this work stream is closely related to that addressing trends and developments in technology, the IESBA will explore whether its working group on technology might cover some of the fact finding work on this topic. In addition, the IESBA anticipates some need for coordination with the IAASB given that some of the matters relating to outsourcing are being addressed within the IAASB’s current Quality Control project.

46. The IESBA anticipates establishing the working group in Q1 2019, with fact finding work beginning soon after.

Emerging Issues Initiative

47. The IESBA plans to continue to monitor relevant external developments through its Emerging Issues and Outreach Committee (EIOC) with a view to determining whether there is a need for any changes to the Code or other actions. The IESBA has established the EIOC to advise it on (a) any emerging issues that may warrant attention outside of the normal strategic planning process, and (2) the scope and focus of, and approach to, outreach to stakeholders.

48. The IESBA anticipates semi-annual discussions on the relevant matters flowing from this initiative throughout the strategy period.

Pre-commitment

49. The IESBA will prioritize further development of the e-Code, leveraging the platform of the restructured Code. The IESBA envisions the e-Code to be a primary tool of reference for firms, individual PAs, IFAC member bodies and other stakeholders in the medium to longer term. This initiative will explore how best

to leverage newer technologies, including mobile access, to make the content of the Code as widely accessible and as easy to use as possible. In addition to providing an enhanced search facility, the IESBA anticipates the e-Code to contain links to bases for conclusions, staff publications and other relevant material outside the Code that provide contextual information or explain the rationale for particular provisions in the Code.

50. The IESBA has established a working group in Q1 2018 to lead this initiative. The focus of the first phase of this work stream, beginning in Q1 2018, will be on building enhanced search functionality into the e-Code. This phase is targeted for completion by the end of Q4 2019, in close proximity to when the restructured Code becomes effective. The second phase of this initiative, expected to start in Q1 2020, will focus on developing additional functionality for the e-Code. The working group will advise the IESBA on the scope, deliverables and timeline for this second phase in due course. Additional phases will be subject to IESBA discussion and the progress achieved and experience gained from the first two phases.

Strategic Theme: Raising the Ethical Bar through Further Strengthening the Code

Tax Planning and Related Services

51. In recent years, much public attention has focused on the topic of aggressive tax avoidance notwithstanding the legality of the tax mitigation schemes or related transactions to achieve desired tax outcomes. Questions have in particular been raised regarding the ethical implications for professional behavior when PAIBs are involved in developing tax minimization strategies that are perceived as “aggressive,” or when firms provide advice to their clients on such strategies. The issue is of such major public interest significance that it has been discussed on the G-20 agenda.
52. The IESBA will therefore seek to understand developments in tax planning by companies and related professional services, and explore the associated ethical questions to which they give rise to determine the nature and extent of any response.
53. The issues involved are complex, especially given the variety of legal frameworks around the world, and therefore may only be capable of being addressed at a principles level. Nevertheless, the IESBA will seek to explore a path where it can intervene within its remit as a global ethics standard setter. As a first step, the IESBA might consider issuing a discussion paper or a thought piece to stimulate discussion on the topic among stakeholders from the perspective of PAs’ overarching obligation to comply with the fundamental principles. The IESBA plans to start this new work stream in Q2 2019.

Definitions of Public Interest Entity and Listed Entity

54. The Code defines a PIE as either a listed entity or an entity (a) defined by regulation or legislation as a PIE or (b) for which the audit is required by regulation (which may be promulgated by any relevant regulator, including an audit regulator) or legislation to be conducted in compliance with the same independence requirements that apply to the audit of listed entities. Some regulatory stakeholders such as the International Association of Insurance Supervisors (IAIS) and the Basel Committee on Banking Supervision have suggested that the definition of a PIE be re-examined from the perspective of financial institutions, including banks. Other regulatory stakeholders such as the International Organization of Securities Commission (IOSCO) have noted that many jurisdictions do not appear to have the capacity to tailor the definition to their specific national circumstances. Other stakeholders, particularly the small and medium practices (SMP) community, have expressed concern that the independence requirements in the Code

are increasingly disproportionate in those circumstances where audit and review services are provided to small entities that fall within the PIE definition.

55. Separately, the Code also defines a “listed entity” as an entity whose shares, stock or debt are quoted or listed on a recognized stock exchange, or are marketed under the regulations of a recognized stock exchange or other equivalent body. Some stakeholders have questioned the meaning of the term “recognized stock exchange” in this definition, for example, whether it is intended to be the same as, or broader than, the concept of a “regulated market” in the definition of PIEs in the EU audit legislation. It was noted that some might perceive a difference as in practice exchanges exist that are informal and outside of the scope of regulation. In addition, there might be a need to reconsider the definition given broader developments in capital markets in various jurisdictions and newer forms of capital raising, such as crowd funding.
56. The IESBA will therefore explore whether the definitions of these two terms should be revised and the implications of any changes on how the Code addresses PIEs and listed entities, for example, in relation to prohibitions. The IESBA plans to start this new work stream in Q2 2021.

Materiality

57. Materiality is a concept that applies across the Code. While the IESBA has developed new application material pursuant to its Safeguards project to explain materiality in relation to provisions addressing NAS delivered to audit clients, the Code refers to materiality in other areas, for example, in relation to other independence matters. For instance, Section 510 of the restructured Code addressing financial interests states that “for the purposes of determining whether such an interest is material to an individual, the combined net worth of the individual and the individual’s immediate family members may be taken into account.”
58. During its previous strategy consultation, a regulatory stakeholder had also suggested that the IESBA provide guidance on how to evaluate materiality in the context of considering breaches of the Code.
59. The IESBA will therefore consider whether greater clarity is needed regarding how the concept of materiality should be applied across the Code, and not just in relation to NAS. Such an initiative will consider standards or other publications issued by the IAASB and the International Accounting Standards Board (IASB) regarding qualitative approaches they might have developed on the topic of materiality. The initiative might also involve IESBA coordination with these other boards as it advances its thinking.
60. The IESBA anticipates considering a project proposal in Q1 2021.
61. Separately, as part of its NAS pre-commitment, the IESBA will consider whether materiality should be a consideration in addressing the question of whether the Code should permit firms to provide NAS to audit clients.

Pre-commitments

62. The IESBA will prioritize initiatives on its list of pre-commitments that are expected to continue into or begin in the new strategy period. These include:
 - Professional skepticism, with a project proposal anticipated in Q4 2018.
 - NAS, with fact finding work commencing Q1 2018 and a project proposal in Q4 2018.
 - Fee-related matters, for which fact finding commenced in Q1 2016.

- Part 4B consistency with ISAE 3000 (Revised), commencing in Q3 2018.

63. The IESBA anticipates receiving a final report and recommendations from its Fees Working Group by Q2 2018, at which time it will determine the nature and extent of any further action that may be needed in relation to the topic of Fees. Some of the issues pertaining to fees and NAS may be interrelated.

General Maintenance of the Code

64. The IESBA plans to set aside some capacity throughout the strategy period to address matters that may fall under the umbrella of general maintenance of the Code. Examples of such matters include limited scope clarifications within certain application material (the need for which may be identified as part of current or recently completed projects, or otherwise flagged by stakeholders), and use of consistent terminology and definitions vis-à-vis IAASB standards. Given the limited scope nature of these types of changes to the Code, the IESBA envisions that identified changes could be packaged together and released at the same time. Further, given the nature of such changes, the IESBA will, where warranted, accelerate steps in due process.

Other Matters

65. Subject to agenda capacity and resources, the IESBA plans to also consider towards the end of the strategy period whether changes to the Code are needed in the following two areas:

- *Communication with those charged with governance (TCWG)*

The Code currently requires auditors to communicate with TCWG in relatively few and specific circumstances, for example:

- When a breach of an independence provision occurs.
- When an audit client is a PIE and for two consecutive years the total fees from the client and its related entities represent more than 15% of the total fees of the firm.

The Code also encourages regular communication between the firm and TCWG regarding relationships and other matters that might reasonably bear on independence.

This initiative will seek to strengthen the provisions in the Code addressing communication with TCWG. This could in particular increase transparency around firms' identification and evaluation of threats to compliance with the fundamental principles and independence requirements, and the actions or measures taken to eliminate or reduce those threats to an acceptable level. Doing so could also clarify that auditor independence is a joint responsibility, and respond to regulatory stakeholders who have expressed views that a party other than the auditor itself should consider the auditor's independence. Such a review would include consideration of whether to require specific matters to be covered in the communication. (The issue of whether firms should seek pre-approval from TCWG in providing NAS to audit clients will be considered under the NAS pre-commitment.)

- *Documentation*

The Code's documentation provisions are located in various areas addressing particular topics. During its recently completed Safeguards project, the IESBA considered whether the Code includes sufficient and appropriate documentation provisions related to safeguards. As a result of this discussion, the IESBA identified a need to reconsider the nature, extent and location of material

relating to documentation in the Code holistically. In addition, this initiative will consider various suggestions from respondents during recently completed projects or the IESBA's previous strategy consultation, including:

- Whether the application material that encourages documentation with respect to ethical conflict resolution should be elevated to a requirement.
- Whether the Code should require independence documentation to be of a standard that would enable another professional to understand the judgments made, and the reasoning supporting those judgments.
- Whether the requirement with respect to documentation of threats to independence that necessitate significant analysis should be extended to any threats to independence requiring analysis.

In addition, this initiative will consider a question that arose during the MG Rover case in the UK in the past few years regarding whether PAIBs should be subject to a documentation requirement in certain circumstances. The Code currently only encourages documentation for PAIBs.

Strategic Theme: Raising the Ethical Bar through Increasing Global Adoption and Effective Implementation of the Code

Post-Implementation Review of the Restructured Code

66. In restructuring the Code, the IESBA has aimed to enhance its understandability and usability, thereby facilitating its adoption, effective implementation, consistent application, and enforcement. The project, which was completed in December 2017, has involved extensive restructuring and redrafting of the Code.
67. Given the important objectives of the project, the IESBA will undertake a post-implementation review of the restructured Code with a view to assessing whether its implementation around the world is effectively meeting those objectives. This post-implementation review will focus only on broader issues of usability and application, and not on the substantive changes to various sections that are now included in the restructured Code.
68. The IESBA plans for this initiative to commence in Q2 2023 to allow sufficient time for the restructured Code to bed down and for jurisdictions and firms of all sizes to gather sufficient experience in implementing it. The IESBA anticipates that the output from this initiative will feed into the development of the SWP for the subsequent strategy period.

Pre-commitments

69. The IESBA will undertake the following post-implementation reviews in the new strategy period:
 - NOCLAR, commencing Q1 2022.
 - Long association, commencing Q1 2022.

Promoting Global Adoption of the Restructured Code

70. With the issuance of the restructured Code in [April 2018], the IESBA will pursue vigorous outreach efforts to raise awareness of the significant improvements to the Code and promote its global adoption. In this

regard, the IESBA has established a working group in Q1 2018 to develop rollout initiatives to support adoption and implementation of the restructured Code as well as a strategy for outreach and communication [[Link to resources on website](#)]. The IESBA anticipates these activities to continue well into the new strategy period given its expectation that adoption will follow a gradual path as jurisdictions follow their national due processes.

Monitoring and Documenting the Extent of Adoption of the Code

71. In collaboration with the IFAC Compliance Advisory Panel, the IESBA plans to regularly update information regarding the extent of global adoption of the Code. The IESBA also plans to work closely with the Compliance Advisory Panel to explore whether IFAC member bodies could be encouraged to benchmark their national ethics standards against the Code, specifically with a view to identifying any national requirements that are more or less stringent than the Code and understanding why. This activity will be of an ongoing nature.

Other Activities

72. In support of adoption and implementation, the IESBA will also undertake various other activities throughout the strategy period, including the following:

- Developing and executing a robust communication strategy.
- Pursuing a proactive stakeholder outreach agenda, including understanding stakeholder experiences regarding adoption and implementation of the restructured Code.
- Commissioning the development of appropriate staff publications in support of adoption and implementation.

Strategic Theme: Proactively Engaging and Seeking Cooperative Avenues with Key Stakeholders

Coordination with the IAASB and IAESB

73. As a pervasive aspect of its strategy, the IESBA will prioritize close coordination with the IAASB. This will be highly important because ethics and independence are important factors to audit quality. To this end, staff of the two boards are maintaining an inventory of topics or areas requiring or potentially requiring coordination. In addition, the two boards have each appointed a member to act as liaison to the other board. Further information about coordination between the two boards, including updates on coordination efforts in progress, can be accessed on the IESBA's website [[insert link](#)].

74. The IESBA will also pursue coordination with the IAESB on topics where there is a clear overlap with respect to the remits of both boards. Such coordination is already in process with respect to the pre-commitment relating to professional skepticism.

Other Actions

75. The IESBA also plans to undertake the following actions throughout the strategy period:

- It will seek to extend and deepen engagement and cooperation with key stakeholders, including NSS, regulators and audit oversight bodies, and firms.

- It will speak out on ethics-related developments that have the potential to lead to greater divergence in standards, and seek to influence debates towards greater international convergence
- It will engage proactively with the Forum of Firms, the IFAC SMP Committee, the IFAC PAIB Committee and other relevant committees of IFAC in seeking their inputs and perspectives on relevant projects, work streams or initiatives.

76. The IESBA also plans to proactively engage with the academic community, recognizing the contributions that this community can make through its research or other work in informing the IESBA's standard-setting activities.

Summary of Projects, Work Streams and Activities, and Work Plan 2019–2023

77. Appendix 2 summarizes the projects, work streams and activities the IESBA plans to undertake during the strategy period and, where appropriate, when each project, work stream or activity is expected to commence and when it is expected to be completed.
78. Appendix 3 presents the anticipated work plan for 2018. Appendix 4 sets out an illustrative work plan for the period 2019-2023. Appendix 5 provides an overall summary covering the new strategy period.

Questions

3. Do you support the actions that have been identified with respect to each strategic theme, and their relative prioritizations? If not, please explain why?
4. Are there any actions not included in the proposed SWP that you believe the IESBA should consider for the period 2019-2023? If so, please explain why, and indicate which actions identified in proposed SWP should be displaced (i.e., deferred or eliminated)?
5. Do you have comments on any other matters addressed in this consultation paper?

Pre-Existing Commitments

Commitment	Description
<i>Commitments Arising from Decisions on Recently Finalized Standards and PIOB Input</i>	
1. NAS	<p>In January 2015, the IESBA completed a project to revise certain independence provisions in the Code pertaining to the provision of NAS to audit and assurance clients. The main changes included:</p> <ul style="list-style-type: none"> • The removal of provisions that permitted a firm to provide certain bookkeeping and taxation services to PIE audit clients in emergency situations. • New and clarified guidance regarding what constitutes management responsibility. • Clarified guidance regarding the concept of “routine or mechanical” services relating to the preparation of accounting records and financial statements for audit clients that are not PIEs. <p>The Basis for Conclusions includes background to the project.</p> <p>At the time the IESBA undertook the project, the IESBA had concluded, based on a benchmarking exercise focused on G-20 countries and a select number of other jurisdictions in early 2013, that there was no evidence that the Code’s NAS provisions were at significant variance from those of most or all of these jurisdictions. In approving the changes to the Code from this project in March 2015, however, the PIOB called on the IESBA to revisit issues on auditor independence from a broader perspective, including prohibited NAS and the role of those charged with governance in approving NAS.</p> <p>Preliminary work on this initiative will include a review of updated benchmarking data as well as the results of the fact finding work on the Fees initiative (see below) to determine the scope of any potential project on this topic.</p>

Commitment	Description
2. Fee-related matters	<p>This is a commitment in the IESBA’s current strategy and work plan. The IESBA has begun to explore fee-related matters raised by the regulatory community to determine whether there is a need for further enhancements to the Code or the commissioning of staff guidance.</p> <p>Fact finding work commenced in 2016 in response to PIOB input and is aimed at identifying whether there are trends or other factors that indicate a relationship between fees and threats to auditor independence and compliance with the fundamental principles, or whether there are reasonable perceptions that such threats exist, and how they might be addressed. The fact finding is focusing in particular, on whether such relationships exist in the following areas:</p> <ul style="list-style-type: none"> • Level of audit fees for individual audit engagements. • Relative size of fees to the partner, office or the firm, and the extent to which partner(s) remuneration is dependent upon fees from a particular client. • The ratio of non-audit services fees to audit fees paid by an audit client. • The provision of audit services by a firm that also has a significant non-audit services business. <p>Pending the outcome of the fact-finding work, the IESBA has not yet determined whether it should launch a standard-setting project or undertake any other initiative on this topic. The IESBA most recently discussed the topic at its March 2017 meeting.</p>
3. NOCLAR post-implementation review	<p>In April 2016, the IESBA finalized the provisions in the Code addressing the topic of non-compliance with laws and regulations (NOCLAR). The new provisions come into effect July 15, 2017. In completing that project, the IESBA committed to undertake a post-implementation review to assess how effectively the implementation of the provisions around the world is meeting the objectives of the project.</p> <p>The IESBA has not yet considered the approach to, and timing of, the post-implementation review.</p>

Commitment	Description
4. Long association post-implementation review	<p>In December 2016, the IESBA finalized revisions to the provisions in the Code addressing the long association of firm personnel with an audit or assurance client. These provisions are currently being redrafted to align with the new structure and drafting conventions of the Code. The revised and restructured provisions are expected to be issued by Q1 2018.</p> <p>In completing the revisions project, the IESBA committed to review the new provisions to take account of, among other matters, relevant legislative and regulatory developments relating to long association (including mandatory firm rotation and mandatory retendering) as well as experience of the application of the new provisions in practice.</p> <p>The IESBA has not yet considered the approach to, and timing of, the post-implementation review.</p>
Active Projects or Initiatives, and Commitments in the Current Strategy and Work Plan	
5. Professional skepticism (PS)	<p>The IESBA is participating in a tripartite Working Group with the IAASB and the IAESB to explore appropriate standard-setting responses to calls from regulatory and other stakeholders to enhance auditors' application of PS.</p> <p>Separately, the IESBA has been exploring how best to respond to calls from the PIOB and certain stakeholders for enhancement to the application of PS among PAs more broadly in the Code. For example, some respondents to Phase 1 of the IESBA's Part C project have suggested that the Code should emphasize the need for PAIBs to exercise adequate PS throughout the process of preparing, presenting or filing information. Other stakeholders have argued that PAIBs should always maintain PS and that the concept should not be limited to auditors.</p> <p>In addition, in May 2017, the IESBA issued an Exposure Draft of proposed application material to (a) explain how the fundamental principles in the Code support the effective application of PS as defined in IAASB standards, and (b) emphasize the importance of PAs obtaining an understanding of the facts and circumstances known to them when exercising professional judgment in applying the conceptual framework in the Code. The IESBA finalized the proposed application material in December 2017.</p>

Commitment	Description
<i>New Commitments Arising from Discussions on Recently Completed Projects</i>	
6. Consistency of Part 4B of the restructured Code with ISAE 3000 (Revised).	This involves a review of Part 4B for any changes needed to make the provisions in that section consistent with the revised assurance terms and concepts in ISAE 3000 (Revised). The need for this review has been identified during the restructuring of the Code but is outside the remit of the Structure of the Code project. To avoid delaying completion of that project, the IESBA agreed to defer the review until after completion of the restructuring of the Code.
7. Development of the e-Code	This involves leveraging the new structure of the Code and developments in technology to explore additional features and tools that could be developed to increase the accessibility and ease of use of the Code, leveraging appropriate digital platforms. An initial version of the e-Code with basic search functionality, hyperlinked sections and pop-up definitions of key terms is available on the IESBA website.

Appendix 2

Projects, Work Streams and Activities Under Identified Strategic Themes for 2019-2023

Project/Work Stream/Activity	Expected Start	Expected Completion ⁶
Maintaining a Global Code that is Relevant and Fit for Purpose		
<p><u>Pre-commitment</u> E-Code</p> <ul style="list-style-type: none"> <i>Leverage the new structure of the Code and developments in technology to explore additional features and tools that could be developed to increase the accessibility and ease of use of the Code.</i> 	Phase 1 commenced Q1 2018 Phase 2 commencing Q1 2020	Phase 1: Q4 2019 Phase 2: Q2 2021
<p><u>New Work Streams</u> Trends and Developments in Technology</p> <ul style="list-style-type: none"> <i>Gather an understanding of the transformative effects of trends and developments in technology on the assurance, accounting and finance functions, and explore their ethical implications.</i> 	Commencing Q2 2018]	Report on fact finding: Q3 2019 Nature and timing of subsequent deliverables subject to fact finding and IESBA discussions
<p>Emerging or Newer Models of Service Delivery</p> <ul style="list-style-type: none"> <i>Explore the ethical implications of emerging or newer models of service delivery such as managed services that firms may provide or outsourced services that firms may use, and the related ethical implications for any PAIBs who are involved in decisions about such services.</i> 	Commencing Q1 2019	Report on fact finding: Q4 2019 Nature and timing of subsequent deliverables subject to fact finding and IESBA discussions

⁶ The actual completion date may vary depending on the progress of the project or work stream and the need to follow due process.

Project/Work Stream/Activity	Expected Start	Expected Completion ⁶
<p><u>Ongoing Activity</u> Emerging issues</p> <ul style="list-style-type: none"> Consider emerging issues brought forward by the EIOC and determine appropriate actions. 	Ongoing	
Raising the Ethical Bar through Further Strengthening the Code		
<p><u>Pre-commitments</u> Professional Skepticism</p> <ul style="list-style-type: none"> Explore how best to respond to calls from the PIOB and certain stakeholders for enhancement to the exercise of professional skepticism among all categories of PAs in the Code. 	Fact finding commenced Q2 2017 Project proposal Q4 2018	Q2 2021
<p>NAS</p> <ul style="list-style-type: none"> Review the independence provisions in the Code applicable to the provision of NAS to audit and assurance clients from a broad permissibility perspective. 	Fact finding commencing Q1 2018 Project proposal Q4 2018	Q3 2021
<p>Fee-related Matters</p> <ul style="list-style-type: none"> Explore fee-related matters raised by the regulatory community to determine whether there is a need for further enhancements to the Code or the commissioning of staff guidance. 	Fact finding commenced Q1 2016	Report and recommendations Q2 2018
<p>Part 4B Consistency with ISAE 3000 (Revised)</p> <ul style="list-style-type: none"> Review Part 4B of the restructured Code for any changes needed to make the provisions in that section consistent with the revised assurance terms and concepts in ISAE 3000 (Revised). 	Project proposal Q3 2018	Q2 2020

Project/Work Stream/Activity	Expected Start	Expected Completion ⁶
<u>New Work Streams</u>		
Definitions of Public Interest Entity and Listed Entity <ul style="list-style-type: none"> Explore whether the definitions of these two terms should be revised and the implications of any changes on how the Code addresses PIEs and listed entities. 	Project proposal Q2 2021	Q1 2023
Materiality <ul style="list-style-type: none"> Consider whether greater clarity is needed regarding how the concept of materiality should be applied across the Code. 	Project proposal Q1 2021	Q2 2023
Tax Planning and Related Services <ul style="list-style-type: none"> Obtain an understanding of developments in tax planning by companies and related professional services, and explore the associated ethical questions to which they give arise to determine the nature and extent of any response. 	Fact finding commencing Q2 2019	Nature and timing of deliverables subject to fact finding and IESBA discussions
Communication with Those Charged with Governance <ul style="list-style-type: none"> Review the provisions in the Code addressing communication with TCWG to determine how they can be strengthened. 	Project proposal Q1 2023	2025
Documentation <ul style="list-style-type: none"> Review the nature, extent and location of material relating to documentation in the Code to determine how they can be streamlined and, where appropriate, strengthened. 	Project proposal Q3 2023	2026
General Maintenance of the Code <ul style="list-style-type: none"> Address the need for limited scope changes to the Code of a general maintenance nature. 	Ongoing	
Raising the Ethical Bar through Increasing Global Adoption and Effective Implementation of the Code		
<u>Pre-commitments</u>		
NOCLAR Post-implementation Review <ul style="list-style-type: none"> Review how effectively the implementation of the NOCLAR provisions around the world is meeting the objectives of the project. 	Fact finding commencing Q1 2022	Final report Q3 2023

Project/Work Stream/Activity	Expected Start	Expected Completion ⁶
<p><i>Long association post-implementation review</i></p> <ul style="list-style-type: none"> <i>Review how effectively the revised long association provisions in the Code are being implemented in practice.</i> 	Fact finding commencing Q1 2022	Final report Q2 2023
<p><u>New Work Stream</u></p> <p>Post-Implementation Review of the Restructured Code</p> <ul style="list-style-type: none"> <i>Undertake a post-implementation review of the restructured Code with a view to assessing whether its implementation around the world is effectively meeting the objectives of the restructuring project.</i> 	Fact finding commencing Q2 2023	Q4 2024
<p><u>Ongoing Activities</u></p> <p>Promoting Global Adoption of the Restructured Code</p> <ul style="list-style-type: none"> <i>Undertake outreach efforts to raise awareness of the significant improvements in the restructured Code and promote its global adoption.</i> 	Commencing Q2 2018]	Ongoing
Monitoring and Documenting the Extent of Adoption of the Code		Ongoing
Developing and executing a robust communication strategy		Ongoing
Pursuing a proactive stakeholder outreach agenda		Ongoing
Commissioning the development of appropriate staff publications in support of adoption and implementation		Ongoing
<i>Proactively engaging and seeking cooperative avenues with key stakeholders</i>		
<p><u>Coordination with Other Standard-setting Boards</u></p> <p>Engage in close coordination with the IAASB and IAESB on topics or areas that overlap the remits of the two boards.</p>		Ongoing (Capacity reserved for coordination work streams – see Appendix 4)

Project/Work Stream/Activity	Expected Start	Expected Completion ⁶
<p><u>Ongoing Activities</u></p> <ul style="list-style-type: none">• Seek to extend and deepen engagement and cooperation with key stakeholders, including NSS, regulators and audit oversight bodies, and firms.• Speak out on ethics-related developments that have the potential to lead to greater divergence in standards, and seek to influence debates towards greater international convergence.• Engage proactively with the Forum of Firms, the IFAC SMP Committee, the IFAC PAIB Committee and other relevant committees of IFAC in seeking their inputs and perspectives on relevant projects, work streams or initiatives.• Proactively engage with the academic community.		Ongoing

Anticipated IESBA Work Plan for 2018⁷

Work Stream	Mar 2018	Jun 2018	Sep 2018	Dec 2018
Structure and Safeguards	Discussion Roll-out initiatives	Discussion FAQs	Discussion FAQs	
Inducements	First read post-ED	Approve final		
Professional Skepticism	Draft CP	Approve CP		Full review CP responses and project proposal
Non-assurance Services	Discussion	Fact finding	Discussion	Report on fact finding and project proposal
Fee-related Issues	Update	Final report		
Part 4B Consistency with ISAE 3000			Project proposal	Issues
e-Code	Discussion Phase 1		Discussion	Update
Objectivity of EQCR		Issues	Issues	
Technology		Discussion	Update	Discussion
IAASB-IESBA Coordination			Discussion	
SWP 2019-2023	Approve CP		Full review CP responses	Approve SWP
EIOC		Discussion		Discussion

ED: Exposure draft; CP: Consultation paper

⁷ The actual work plan is subject to change, depending on the progress achieved on the IESBA's various projects and activities, and external developments. Activities of a regular and an ongoing nature such as stakeholder outreach are not shown. The work plan for the next four quarters is updated quarterly and can be accessed at: <https://www.ifac.org/sites/default/files/uploads/IESBA/IESBA-Project-Timetable.pdf>.

Illustrative IESBA Work Plan 2019-2023⁸

2019

Work Stream	Mar 2019	Jun 2019	Sep 2019	Dec 2019
Professional Skepticism	Issues	Issues	First read	Second read
Non-assurance Services	Issues	Issues	Issues	First-read
Part 4B Consistency with ISAE 3000	First read	Approve ED		Full review
e-Code	Review prototype	Update	Discussion	Finalize Phase 1
Technology	Discussion	Preliminary report	Final report	Nature and timing of deliverables subject to fact finding
Service Delivery Models	Establish WG	Discussion	Discussion	Final report
Tax Planning		Establish WG	Discussion	Discussion
IAASB Coordination Topic 1	TBD	TBD	TBD	TBD
IAASB-IESBA Coordination			Discussion	
EIOC		Discussion		Discussion

TBD: To be determined; WG: Working group

⁸ This illustrative work plan is only intended to provide an indication of the possible timelines of various projects and initiatives based on considerations at the time this SWP is finalized. These timelines may change without prior notice depending on the progress of the individual projects or initiatives, and any reprioritizations of commitments that the IESBA may consider necessary should circumstances change.

2020

Work Stream	Mar 2020	Jun 2020	Sep 2020	Dec 2020
Professional Skepticism	Approve ED		Update	Full review
Non-assurance Services	Second read	Approve ED		Update
Part 4B Consistency with ISAE 3000	First read post-ED	Approve final		
e-Code	Discussion Phase 2	Update	Discussion	Review prototype
Technology	Nature and timing of deliverables subject to fact finding and IESBA discussions			
Service Delivery Models	Nature and timing of deliverables subject to fact finding and IESBA discussions			
Tax Planning	Nature and timing of deliverables subject to fact finding and IESBA discussions			
IAASB Coordination Topic 1	TBD	TBD	TBD	TBD
IAASB-IESBA Coordination			Discussion	
General Code Maintenance	TBD		TBD	
EIOC		Discussion		Discussion

2021

Work Stream	Mar 2021	Jun 2021	Sep 2021	Dec 2021
Professional Skepticism	First read post ED	Approve final		
Non-assurance Services	Full review	First read post ED	Approve final	
Materiality	Project proposal	Issues	Issues	First read
e-Code	Discussion	Finalize Phase 2		
Technology	Nature and timing of deliverables subject to fact finding and IESBA discussions			
Service Delivery Models	Nature and timing of deliverables subject to fact finding and IESBA discussions			
Tax Planning	Nature and timing of deliverables subject to fact finding and IESBA discussions			
Definitions of PIE and listed entity		Project proposal	Issues	Issues
IAASB Coordination Topic 2	TBD	TBD	TBD	TBD
IAASB-IESBA Coordination			Discussion	
SWP 2024-2028				Discuss survey
General Code Maintenance	TBD		TBD	
EIOC		Discussion		Discussion

2022

Work Stream	Mar 2022	Jun 2022	Sep 2022	Dec 2022
Technology	Nature and timing of deliverables subject to fact finding and IESBA discussions			
Materiality	Update	Approve ED		Full review
Definitions of PIE and listed entity	First read	Approve ED	Update	Full review
NOCLAR post-implementation review	Establish WG	Discussion	Fact finding	Fact finding
Long Association post-implementation review	Establish WG	Discussion	Fact finding	Fact finding
IAASB Coordination Topic 2	TBD	TBD	TBD	TBD
IAASB-IESBA Coordination			Discussion	
SWP 2024-2028	Approve survey		Full review	First read CP
General Code Maintenance	TBD		TBD	
EIOC		Discussion		Discussion

2023

Work Stream	Mar 2023	Jun 2023	Sep 2023	Dec 2023
Definitions of PIE and listed entity	Approve final			
Materiality	First read post ED	Approve final		
NOCLAR post-implementation review	Update	Preliminary report	Final report	
Long Association post-implementation review	Preliminary report	Final report		
Post-implementation review restructured Code		Establish WG	Discussion	Fact finding
Communication with TCWG	Project proposal	Issues	Issues	First read
Documentation			Project proposal	Issues
SWP 2024-2028	Approve CP		Full review	Approve final
IAASB Coordination Topic 3	TBD	TBD	TBD	TBD
IAASB-IESBA Coordination			Discussion	
General Code Maintenance	TBD		TBD	
EIOC		Discussion		Discussion

Summary Illustrative IESBA Work Plan 2019-2023

Work Stream	2018	2019	2020	2021	2022	2023
<i>Maintaining a Global Code that is Relevant and Fit for Purpose</i>						
E-Code	■		■		■	
Technology	■	■		■		
Service del. models		■		■		
EIOC	■	■	■	■	■	■
<i>Raising the Ethical Bar through Further Strengthening the Code</i>						
Prof. skepticism	■		■			
NAS	■		■			
Fee-related matters	■					
Part 4B vs ISAE 3000		■				
Coordn topic 1		■				
Coordn topic 2				■		
Coordn topic 3						■
Defs PIE and Listed				■		
Materiality				■		■
Tax planning		■	■			
Comm. with TCWG						■
Documentation						■
Gen. maintenance			■	■	■	■

Work Stream	2018	2019	2020	2021	2022	2023
<i>Raising the Ethical Bar through Increasing Global Adoption and Effective Implementation of the Code</i>						
NOCLAR post-impn						
LA post-impn						
Post-impn review restr. Code						
Promote global adoption						
Monitor and doc global adoption						
Action comm. Strategy						
Pursue stakeholder outreach						
Commission staff publications						
<i>Proactively engaging with key stakeholders and seeking cooperative avenues with them</i>						
SSB coordination						
Extend stakeholder engagement						
Speak out on ethics						