

NON-ASSURANCE SERVICES – MAPPING TABLE COMPARISON
APPROVED PART 4B TEXT VERSUS PROPOSED REVISIONS TO SECTION 950
As of November 2019

Note: This Mapping Table has been prepared by the Staff of the International Ethics Standards Board for Accountants® (IESBA) for information only. It is intended to assist readers in their review of the proposed changes to the [IESBA’s Exposure Draft, *Proposed Revisions to the Non-Assurance Services Provisions and Related Conforming Amendments* (the ED)].

When applicable, the explanation in the “Comments” column highlight the reason for the proposed change.

| Approved Part 4B Text (As of September 2019) | | Proposed Changes to Part 4B (Section 950) | | Comments |
|---|---|---|---|--------------------|
| Section 950 Provision of Non-assurance Services to Assurance Clients | | | | |
| 950.1 | Firms are required to comply with the fundamental principles, be independent, and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | 950.1 | Firms are required to comply with the fundamental principles, be independent, and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | No change |
| 950.2 | Firms might provide a range of non-assurance services to their assurance clients, consistent with their skills and expertise. Providing certain non-assurance services to assurance clients might create threats to compliance with the fundamental principles and threats to independence. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | 950.2 | Firms might provide a range of non-assurance services to their assurance clients, consistent with their skills and expertise. Providing certain non-assurance services to assurance clients might create threats to compliance with the fundamental principles and threats to independence. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | No change |
| R950.3 | Before a firm accepts an engagement to provide a non-assurance service to an assurance client, the firm shall determine whether providing such a service might create a threat to independence. | R950.5 | Before a firm accepts an engagement to provide a non-assurance service to an assurance client, the firm shall apply the conceptual framework to identify, evaluate and address any threat to independence that might | Conforms to R600.8 |

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|--|---|--|--|
| | | be created by providing that service. | |
| n/a | n/a | 950.6 A1 A description of the categories of threats that might arise when a firm provides a non-assurance service to an assurance client is set out in 120.6 A3. | |
| 950.3 A1 | The requirements and application material in this section assist firms in analyzing certain types of non-assurance services and the related threats that might be created when a firm accepts or provides non-assurance services to an assurance client. | 950.3 This section sets out requirements and application material relevant to applying the conceptual framework to identify, evaluate and address threats to independence when providing non-assurance services to assurance clients. | Conforms to 600.3 |
| 950.3 A2 | New business practices, the evolution of financial markets and changes in information technology are among the developments that make it impossible to draw up an all-inclusive list of non-assurance services that might be provided to an assurance client. As a result, the Code does not include an exhaustive listing of all non-assurance services that might be provided to an assurance client. | 950.4 A1 New business practices, the evolution of financial markets and changes in technology are among the developments that make it impossible to draw up an all-inclusive list of non-assurance services that might be provided to an assurance client. As a result, the Code does not include an exhaustive listing of all non-assurance services that might be provided to an assurance client. | No change (other than deletion of 'information') |
| n/a | n/a | 950.5 A1 A description of the categories of threats that might arise when a firm or network firm provides a non-assurance service to an assurance client is set out in 120.6 A3. | Conforms to 600.9 A1 |

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|--|---|--|----------------------|
| 950.4 A1 | <p>Factors that are relevant in evaluating the level of threats created by providing a non-assurance service to an assurance client include:</p> <ul style="list-style-type: none"> • The nature, scope and purpose of the service. • The degree of reliance that will be placed on the outcome of the service as part of the assurance engagement. • The legal and regulatory environment in which the service is provided. • Whether the outcome of the service will affect the underlying subject matter and, in an attestation engagement, matters reflected in the subject matter information of the assurance engagement, and, if so: <ul style="list-style-type: none"> ○ The extent to which the outcome of the service will have a material or significant effect on the underlying subject matter and, in an attestation engagement, the subject matter information of the assurance engagement. ○ The extent of the assurance client's involvement in determining significant matters of judgment. • The level of expertise of the client's management and employees with respect to the type of service provided. | <p>950.6 A2 Factors that are relevant in identifying and evaluating threats created by providing a non-assurance service to an assurance client include:</p> <ul style="list-style-type: none"> • The nature, scope, intended use and purpose of the service. • The manner in which the service will be provided (for example, the extent to which the service relates to providing a technology-based solution developed by the firm). • The legal and regulatory environment in which the service is provided. • Whether the client is a public interest entity. • The level of expertise of the client's management and employees with respect to the type of service provided. • The degree of reliance that will be placed on the outcome of the service as part of the assurance engagement. • Whether the outcome of the service will affect the underlying subject matter and, in an attestation engagement, matters reflected in the subject matter information of the assurance engagement, and, if so: | Conforms to 600.9 A2 |

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|--|-----|---|--|
| | | <ul style="list-style-type: none"> ○ The extent to which the outcome of the service will have a material or significant effect on the underlying subject matter and, in an attestation engagement, the subject matter information of the assurance engagement. ○ The extent to which the assurance client's management determines significant matters of judgment. ● The fees relating to the provision of the non-assurance services. | |
| n/a | n/a | <p>950.9 A1 Concerns about a firm's independence are heightened when an assurance engagement is undertaken by a firm for a public interest entity and the results of that engagement will be:</p> <ul style="list-style-type: none"> (a) Made available publicly, including to shareholders and other stakeholders; or (b) Provided to an entity or organization established by law or regulation to oversee the operation of a business sector or activity. <p>950.9 A2 Therefore, when the assurance client is a public interest entity, stakeholders have heightened expectations regarding the firm's independence including any self-review threat</p> | New application material relating to assurance clients that are public interest entities |

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| | | <p>arising from a non-assurance service undertaken in relation to the subject matter information of the assurance engagement. Consideration of these expectations forms part of the reasonable and informed third party test applied when determining when deciding whether to provide a non-assurance service to a client.</p> <p>950.9 A3 When the results of the engagement are to be provided in the circumstances described in paragraph 950.8 A1 (b), the firm is encouraged to disclose to the recipient the existence of a self-review threat to independence and the steps taken to address that threat.</p> | |
| 950.4 A2 | The concept of materiality in relation to an assurance client's subject matter information is addressed in <i>International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information</i> . The determination of materiality involves the exercise of professional judgment and is impacted by both quantitative and qualitative factors. It is also affected by perceptions of the financial or other information needs of users. | 950.11 A1 The concept of materiality in relation to an assurance client's subject matter information is addressed in <i>International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information</i> . The determination of materiality involves the exercise of professional judgment and is impacted by both quantitative and qualitative factors. It is also affected by perceptions of the financial or other information needs of users. | No change |
| 950.4 A3 | A firm might provide multiple non-assurance services to an assurance client. In these circumstances the | 950.7 A1 A firm might provide multiple non-assurance services to an assurance client. In these | No change |

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|--|--|--|-------------------------------------|
| | combined effect of threats created by providing those services is relevant to the firm’s evaluation of threats. | circumstances the combined effect of threats created by providing those services is relevant to the firm’s evaluation of threats. | |
| 950.5 A1 | Paragraph 120.10 A2 includes a description of safeguards. In relation to providing non-assurance services to assurance clients, safeguards are actions, individually or in combination, that the firm takes that effectively reduce threats to independence to an acceptable level. In some situations, when a threat is created by providing a service to an assurance client, safeguards might not be available. In such situations, the application of the conceptual framework set out in Section 120 requires the firm to decline or end the non-assurance service or the assurance engagement. | <p>950.12 A1 Paragraphs 120.10 to 120.10 A2 include a requirement and application that are relevant when addressing threats to independence, including a description of safeguards.</p> <p>950.12 A2 In relation to providing non-assurance services to assurance clients, safeguards may not be available to reduce any threat created by providing a non-assurance service to an assurance client to an acceptable level. In such a situation, the application of the conceptual framework set out in Section 120 requires the firm to:</p> <ul style="list-style-type: none"> (a) Adjust the scope of the proposed service to eliminate to the circumstance that are creating the threat; (b) Decline or end the service that creates the threat that cannot be eliminated or reduced to an acceptable level; or (c) End the assurance engagement. | Conforms to 600.16 A1 and 600.16 A3 |
| R950.6 | A firm shall not assume a management responsibility related to the underlying subject matter and, in an attestation engagement, the subject matter | R900.13 A firm shall not assume a management responsibility related to the underlying subject matter and, in an attestation engagement, the | No change |

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|--|--|--|-----------------------|
| | information of an assurance engagement provided by the firm. If the firm assumes a management responsibility as part of any other service provided to the assurance client, the firm shall ensure that the responsibility is not related to the underlying subject matter and, in an attestation engagement, the subject matter information of the assurance engagement provided by the firm. | subject matter information of an assurance engagement provided by the firm. If the firm assumes a management responsibility as part of any other service provided to the assurance client, the firm shall ensure that the responsibility is not related to the underlying subject matter and, in an attestation engagement, the subject matter information of the assurance engagement provided by the firm. | |
| 950.6 A1 | Management responsibilities involve controlling, leading and directing an entity, including making decisions regarding the acquisition, deployment and control of human, financial, technological, physical and intangible resources. | 900.13 A1 Management responsibilities involve controlling, leading and directing an entity, including making decisions regarding the acquisition, deployment and control of human, financial, technological, physical and intangible resources. | No change |
| 950.6 A2 | Providing a non-assurance service to an assurance client creates self-review and self-interest threats if the firm assumes a management responsibility when performing the service. In relation to providing a service related to the underlying subject matter and, in an attestation engagement, the subject matter information of an assurance engagement provided by the firm, assuming a management responsibility also creates a familiarity threat and might create an advocacy threat because the firm becomes too closely aligned with the views and interests of management. | 900.13 A2 When a firm assumes a management responsibility for an assurance client, self-review and self-interest threats are created. In relation to providing a service related to the underlying subject matter and, in an attestation engagement, the subject matter information of an assurance engagement provided by the firm, assuming a management responsibility also creates a familiarity threat and might create an advocacy threat because the firm becomes too closely aligned with the views and interests of management. | Conforms to 400.13 A2 |

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|--|--|--|---|
| 950.6 A3 | <p>Determining whether an activity is a management responsibility depends on the circumstances and requires the exercise of professional judgment. Examples of activities that would be considered a management responsibility include:</p> <ul style="list-style-type: none"> • Setting policies and strategic direction. • Hiring or dismissing employees. • Directing and taking responsibility for the actions of employees in relation to the employees' work for the entity. • Authorizing transactions. • Controlling or managing bank accounts or investments. • Deciding which recommendations of the firm or other third parties to implement. • Reporting to those charged with governance on behalf of management. • Taking responsibility for designing, implementing, monitoring and maintaining internal control. | <p>900.13 A3 Determining whether an activity is a management responsibility depends on the circumstances and requires the exercise of professional judgment. Examples of activities that would be considered a management responsibility include:</p> <ul style="list-style-type: none"> • Setting policies and strategic direction. • Hiring or dismissing employees. • Directing and taking responsibility for the actions of employees in relation to the employees' work for the entity. • Authorizing transactions. • Controlling or managing bank accounts or investments. • Deciding which recommendations of the firm or other third parties to implement. • Reporting to those charged with governance on behalf of management. • Taking responsibility for designing, implementing, monitoring and maintaining internal control. | No change |
| 950.6 A4 | <p>Providing advice and recommendations to assist the management of an assurance client in discharging its responsibilities is not assuming a management responsibility. (Ref: Paras. R950.6 to 950.6 A3).</p> | <p>900.13 A4 Subject to compliance with paragraph R900.14, providing advice and recommendations to assist the management of an assurance client in discharging its</p> | No change – other than the addition of the opening phrase |

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|--|---|--|---|
| | | responsibilities is not assuming a management responsibility. | that conforms with 400.13 A4 |
| R950.7 | <p>To avoid assuming a management responsibility when providing non-assurance services to an assurance client that are related to the underlying subject matter and, in an attestation engagement, the subject matter information of the assurance engagement, the firm shall be satisfied that client management makes all related judgments and decisions that are the proper responsibility of management. This includes ensuring that the client's management:</p> <p>(a) Designates an individual who possesses suitable skill, knowledge and experience to be responsible at all times for the client's decisions and to oversee the services. Such an individual, preferably within senior management, would understand:</p> <p>(i) The objectives, nature and results of the services; and</p> <p>(ii) The respective client and firm responsibilities.</p> <p>However, the individual is not required to possess the expertise to perform or re-perform the services.</p> | <p>R900.14 When providing non-assurance services to an assurance client that are related to the underlying subject matter and, in an attestation engagement, the subject matter information of the assurance engagement, the firm shall be satisfied that client management makes all related judgments and decisions that are the proper responsibility of management. This includes ensuring that the client's management:</p> <p>(a) Designates an individual who possesses suitable skill, knowledge and experience to be responsible at all times for the client's decisions and to oversee the activities. Such an individual, preferably within senior management, would understand:</p> <p>(i) The objectives, nature and results of the activities; and</p> <p>(ii) The respective client and firm responsibilities.</p> <p>However, the individual is not required to possess the expertise to perform or re-perform the activities.</p> | No change – other than in the first sentence that conforms with R400.14 |

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|--|---|---|--|
| | <p>(b) Provides oversight of the services and evaluates the adequacy of the results of the service performed for the client's purpose; and</p> <p>(c) Accepts responsibility for the actions, if any, to be taken arising from the results of the services.</p> | <p>(b) Provides oversight of the activities and evaluates the adequacy of the results of the activity performed for the client's purpose; and</p> <p>(c) Accepts responsibility for the actions, if any, to be taken arising from the results of the activities.</p> | |
| 950.8 A1 | <p>A self-review threat might be created if, in an attestation engagement, the firm is involved in the preparation of subject matter information which subsequently becomes the subject matter information of an assurance engagement. Examples of non-assurance services that might create such self-review threats when providing services related to the subject matter information of an assurance engagement include:</p> <p>(a) Developing and preparing prospective information and subsequently issuing an assurance report on this information.</p> <p>(b) Performing a valuation that is related to or forms part of the subject matter information of an assurance engagement.</p> | <p>950.8 A1 A self-review threat might be created if, in a non-assurance engagement, the firm is involved in the preparation of subject matter information which subsequently becomes the subject matter information of an assurance engagement. Examples of non-assurance services that might create such self-review threats when providing services related to the subject matter information of an assurance engagement include:</p> <p>(a) Developing and preparing prospective information and subsequently issuing an assurance report on this information.</p> <p>(b) Performing a valuation that is related to or forms part of the subject matter information of an assurance engagement.</p> | No change – other than to change 'attestation engagement' into 'non-assurance engagement'. |