

**Meeting:** IESBA  
**Meeting Location:** Nashville, USA  
**Meeting Date:** June 17–19, 2019

## Agenda Item 5

### eCode

#### I. Objective of Agenda Item

- To:
  - Receive a final report on Phase 1 of the eCode initiative;
  - Consider and provide input on the plans for Phase 2 of the initiative.

#### II. Working Group

- The Phase 1 Working Group (WG) comprises:
  - Don Thomson, Chair
  - Brian Friedrich, IESBA Member
  - Liesbet Haustermans, IESBA Member
  - Andrew Pinkney, IESBA Technical Advisor
- The Chair of the Phase 2 WG is Brian Friedrich. Other WG members will be announced at the June meeting.

#### III. Background

- The eCode initiative is a pre-existing Board commitment as described in the IESBA's Strategic Work Plan 2019-2023. The IESBA established the eCode WG in December 2017, taking steps to support the adoption and effective implementation of the [International Code of Ethics for Professional Accountants \(including International Independence Standards\)](#) ("the revised and restructured Code" or "the Code").
- The eCode initiative will continue after the initial launch of the product. This agenda item is structured to cover both Phase 1 and future phases of the product.
- At the meeting, the Phase 1 WG Chair will introduce the topic and present a final report on Phase 1 of the eCode. Thereafter the Phase 2 WG Chair will share initial thoughts on Phase 2. The Board will be asked to provide input for Phase 2.

#### IV. Phase 1 of the eCode

- Phase 1 of the eCode will launch by the end of June 2019.

#### Activities since the March 2019 Meeting

- At the March meeting, the Board performed a final review of Phase 1 of the eCode.

9. Following the March meeting, the WG received feedback from a targeted group of beta testers, including representation from all stakeholder groups. In addition, the WG demonstrated and sought feedback on the eCode at the National Standard Setters (NSS) meeting in May.
10. The WG have made the following key refinements to the eCode in preparation for launch, taking into account all feedback received:
  - Search
    - i. Search results are ordered by paragraph number;
    - ii. A strict search using Boolean operators is an advanced search feature;
    - iii. Moved the list of prohibitions to the search page, and enabled filtering by Part, whilst retaining appropriate introductory language to caveat such a list;
    - iv. Included suggestions for alternate terms to consider (e.g., bribe, consider searching for inducement);
    - v. Created a link to Get Help with search from the Search page and added explanations to assist users make best use of the search options (including an explanation of the Boolean operators);
    - vi. Bug fix to enable user to go back to search results easily.
  - Finalized approach for agreement of Terms of Use upon entry and adjusted the appearance of the permissions text so as to distinguish it from the text of the Code when copying and pasting.
  - Additional assistance in the Get Help section to assist users to make best use of the key features.
  - Pop-ups in the toolbox to assist users understanding of the tools available.
  - Streamlined menu, with less emphasis on Parts 4A and 4B.
  - Bug fixes generally.

### **Promotion and Awareness Raising**

11. A publication, [Preparing for the IESBA eCode](#) was released on April 8, 2019. The publication, which is essentially a status report, is available on the IESBA website. It provides an overview of the initiative, highlights the eCode's key features and explains the timeline for launch.
12. To raise awareness of the eCode, the IESBA and IFAC are planning to undertake extensive promotion over a year-long period. This promotion will target all stakeholders; will incorporate all communication channels and leverage the IESBA's and IFAC's collective networks. Promotional resources will include: eCode postcard (already available), webinar demonstration (scheduled for June 12, 2019), in-person outreach, YouTube videos and social media.
13. Already, the eCode has been demonstrated at the NSS meeting. The eCode was also promoted at several conferences and outreach meetings, including the Forum of Firms in Tokyo, Japan; the Less Complex Entity (LCE) Conference in Paris, France; the CReCER 2019 Conference in San José, Costa Rica; and during the France and Russia country visits.
14. An introductory video, and video demonstrations of the key functions of the eCode will be included on the IESBA website and through links in the eCode.

15. The PIOB have expressed interest in the eCode and have been encouraged to participate in the eCode webinar in June.

## **V. Future Phases of the eCode**

### *Preliminary Views about the Scope and Approach for Phase 2*

16. Looking ahead, Phase 2 will:
  - Explore additional features that might be added to or refined in the eCode based on user feedback.
  - Determine how changes to the Code arising from future IESBA pronouncements will be incorporated into the eCode.
  - Collaborate with IFAC to transfer the eCode platform and thereby promote adoption of the Code more broadly.
17. It is anticipated that Phase 2 of the initiative will require significant collaboration between IFAC/IESBA/national standard setters and the developer. As a result, the Phase 2 WG will include IFAC representatives who will help facilitate the IESBA-IFAC coordination and collaboration (for example, developing policies and agreements for sharing the platform).
18. IFAC representatives attended the eCode session at the NSS meeting and expressed a desire to support NSS who are interested in tailoring the eCode platform at a national level.

### *Recommended Work Streams and Indicative Timeframes*

19. Following the NSS meeting, the IFAC representatives joined the Phase 1 WG to discuss, among other matters, the scope and approach for future eCode phases. Three work streams were identified for Phase 2:
  - Operations and ongoing maintenance
    - i. Fixing bugs.
    - ii. Monitoring feedback from users with respect to usability of the platform and feature requests.
    - iii. Developing a protocol as to how and when Code content and non-authoritative material should be added or amended, and making changes as needed.
    - iv. Considering drafting implications for non-authoritative material (for ease of linking in the eCode) and possibly for the Code itself (e.g., the eCode enables users to filter explicit prohibitions and promotes understanding of the building blocks approach, which may remove the need for repetition).
    - v. Developing a training manual for IESBA staff and managing human resources.
  - New features for IESBA eCode
    - i. Adding an effective date filter to enable users to travel between versions of the Code as it is updated.
    - ii. Developing a more efficient way to copy, print, and share multiple paragraphs.
    - iii. Adding an option to expand all accordions in the Menu.

- iv. Adding a Forthcoming Pronouncements page linked from the Menu.
- v. Considering additional types of non-authoritative material that may be linked (e.g., non-IESBA publications).
- vi. Adding a filter to distinguish between PIE and non-PIE paragraphs. Note: This has been deferred for further consideration as the Non-assurance services and Fees projects evolve.
- Sharing the platform with interested NSS and PAOs
  - i. Identifying and communicating the system and support specifications necessary to host and manage the eCode.
  - ii. Working with IFAC to develop licensing conditions and a protocol for sharing the platform (e.g., rules around what can and cannot be changed).
  - iii. Developing training manuals for use by NSS and PAOs (e.g., the logistics of completing the transfer of the platform and initial content, basic customization and updating).
  - iv. Developing a filter to enable NSS or PAOs to tag which paragraphs or sections have been added/deleted/amended in their jurisdiction. This will enable the local eCode to quickly generate a report of changes made that could be reported back to IFAC.
  - v. Piloting the transfer with one NSS (likely New Zealand) in the short term, then working with selected additional NSS or PAOs who have identified an interest in using a localized eCode (Australia, Brazil, Canada, Hong Kong, ICAEW, India and South Africa all self-identified during the recent NSS meeting). To mitigate risk and manage resources, English adopters are expected to be actioned first, followed by translated versions.

An alternative option where IFAC hosts the eCode for other jurisdictions, in addition to the official international version, was discussed but rejected. IFAC does not currently have the necessary infrastructure and resources to host and manage multiple versions of the eCode.

20. The maintenance work will be ongoing. The WG plans to progress work on the new features as soon as Phase 1 is finalized. The target date for the effective date filter is mid-2020, ready for use when the forthcoming Part 4B amendments are expected to be approved for issue. Timing on implementing the other new features identified is subject to our negotiations with the developer, as well as available resources. Work to pilot test sharing the eCode platform is planned for Q4 2019, with roll out to additional jurisdictions expected in early 2020.

## **VI. Actions Requested**

21. The Board will be asked to:
- Note the report back for Phase 1 of the eCode initiative.
  - Consider a presentation from the Phase 2 WG Chair and provide feedback on (i) the scope and approach; and (ii) the recommended work streams and indicative timeframes.

### **Feedback from Beta Testers**

1. The beta testers provided extensive feedback, including:
  - A need to focus on the search feature
  - Support for linking non-authoritative material at a paragraph level, however consideration of how to assist users to find the material
  - Encouragement to limit the use of italics as this was identified as difficult to read
  - A suggestion to assist users get quick access to the Get Help page
2. The WG thanks the beta testers for their feedback. Whilst not all suggestions will be actioned, many matters identified have now been addressed, and others have been identified to be addressed in Phase 2.