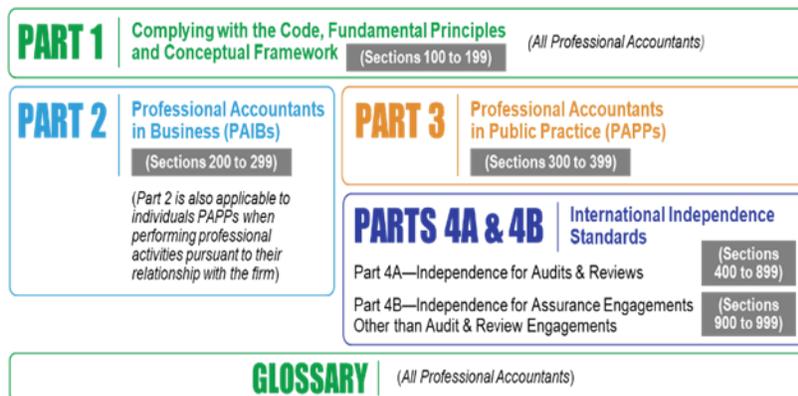


## AN INTERNATIONAL E-CODE FOR PROFESSIONAL ACCOUNTANTS

The *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the Code) sets out fundamental principles of ethics for professional accountants (PAs). It also sets out International Independence Standards for audits, reviews and other assurance engagements. The Code is developed by the International Ethics Standards Board for Accountants® (the IESBA®).

### About the New Code

The Code that comes into effect in June 2019 is substantively revised and restructured and is now available in the [2018 edition of the IESBA Handbook](#). The provisions in the Code are organized in Parts and Sections, with each section dealing with a particular topic.



The Code is interconnected by design using a “building blocks approach.” Part 1 of the Code describes the conceptual framework and includes overarching principles-based requirements that apply to all PAs. Material in Parts 2, 3, and 4A and 4B of the Code is premised on the user’s proper understanding of Part 1.

All PAs are required to:

- Comply with the fundamental principles of ethics and, when applicable, be independent.
- Apply the **conceptual framework** – a three-step approach which involves identifying, evaluating and addressing threats to compliance with the fundamental principles of ethics and meeting their responsibility to act in the public interest.

PAs are also required to understand the general sections in other parts of the Code as they are relevant to their role and circumstances because they also include additional overarching requirements.

The conceptual framework is set out in Section 120 of the Code. It is not new, but is substantively revised. It accommodates the wide range of facts and circumstances, including the various professional activities, interests and relationships, that affect the work of PAs. It also includes descriptions of key terms that are crucial to the proper application of the Code, such as *reasonable and informed third party*, *acceptable level* and *safeguards*.

### What is the e-Code?

The e-Code is a web-based tool that is designed to deliver the revised and restructured Code in a digital format. It contains the official text of the Code together with links to resources and tools that are prepared by IESBA Staff (i.e., non-authoritative) to enhance the user experience. With its visually appealing accordion design, the e-Code includes features and functionalities that emphasize the “building blocks” approach of the Code and its scalability.

The e-Code will be accessible to everyone, not just PAs. The e-Code will assist in studying and understanding the Code, thereby making it easier to adopt, implement and enforce. It is designed for all users, including those who are new and infrequent, as well as the more experienced ones.

*Key features of the e-Code*

The digital features and functionalities include:

- An interactive table of contents.
- Ease of bookmarking, sharing, copying and printing material in the Code.
- Pop-ups with definitions and descriptions of terms used in the Code.
- Use of color to distinguish between Parts of the Code.
- Foundational material, linked at the Part level, giving prominence to the “building blocks” structure and the overarching requirements that are relevant to understanding and applying the Code.
- Hyperlinks to existing cross-references within the Code to aid with navigation and application of the “building block” structure.
- An advanced search function that will be informed and enhanced over time by the user’s searches, and which:
  - Performs searches using either keyword search or Boolean search techniques (i.e., allow users to combine keywords with operators such as “and”, “not” and “or” to produce more results).
  - Provides suggestions for alternative search terms that better or more comprehensively align with the Code’s terminology.
- Non-authoritative material, linked at a section or paragraph level to relevant IESBA Staff produced resources and tools, such as extracts from relevant Bases for Conclusions, Questions and Answers, and explanatory videos.

Use of the e-Code, the linked non-authoritative guidance and the results of searches will not be a substitute for the proper application of the provisions in the Code. For example, use of the e-Code will not substitute the need for exercising professional judgment to determine the PA’s actions and decisions.

**Looking Ahead**

The IESBA will seek feedback about the e-Code, in particular from *firms, national standard setters and professional accountancy organizations*. In particular, views are sought about whether and how the e-Code might be translated or if and how the e-Code can be tailored to include provisions at a national level.

Please email feedback and suggestions to: [IESBA@ethicsboard.org](mailto:IESBA@ethicsboard.org).

**Why an e-Code?**

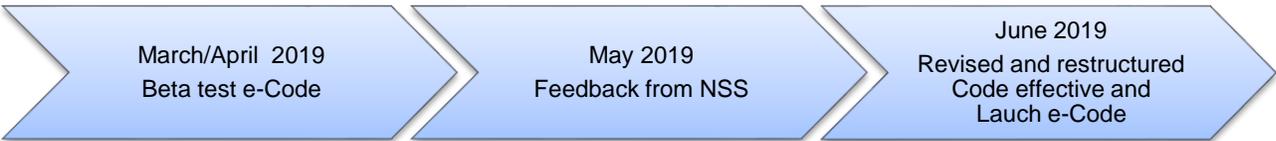
The role of ethics in the work of PAs today cannot be overemphasized. The need to emphasize the importance of the accountancy profession to the global economy is even more apparent in an environment of declining public trust. With the increase in regulatory divergence, there is a need for a robust, globally operable code of ethics that is high quality and fit for purpose. The e-Code is designed to make the Code accessible to everyone, anywhere with internet access. It is tailored to suit the needs and work-style of today’s professional. It is versatile and can be used on both desktops and mobile devices. It will be an

impactful resource to help individual PAs, firms, regulators, national standard setters, professional accountancy organizations, academics and educators, and others better understand, apply and, as appropriate, enforce the provisions in the Code.

The IESBA anticipates that the e-Code will help stimulate and inform global discussions about ethics and independence matters, while also highlighting how the IESBA Code deals with key topics. The IESBA believes that the e-Code will increase awareness of the Code and support the Code’s adoption and effective implementation.

**When will the e-Code be Available?**

Arrangements have been made for a diverse group of stakeholders to beta-test the e-Code. The IESBA will also seek feedback at the IESBA-National Standard Setters meeting in May. Feedback that is received by the first week of June 2019 will be considered in refining the product. The IESBA anticipates launching the e-Code by June 2019 and it will be accessible via the IESBA website.



**Will Permission be required from IFAC to Access and Use the e-Code?**

The e-Code is copyrighted by the International Federation of Accountants (IFAC). Access to the e-Code, together with the ability to bookmark, share, copy and print extracts, is designed to minimize impediments while protecting copyright. Access to the e-Code will not require a login and password but will require agreement to terms of use. When copying extracts from the e-Code, a reminder of these conditions will appear.

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## About the IESBA

The [International Ethics Standards Board for Accountants](#) (IESBA) is an independent global standard-setting board. The IESBA serves the public interest by setting ethics standards, including auditor independence requirements, which seek to raise the bar for ethical conduct and practice for all professional accountants through a robust, globally operable [International Code of Ethics for Professional Accountants \(Including International Independence Standards\)](#).

The IESBA believes a single set of high-quality ethics standards enhances the quality and consistency of services provided by professional accountants, thus 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).

The structures and processes that support IESBA operations are facilitated by IFAC. Please visit [www.ethicsboard.org](http://www.ethicsboard.org) for more information, and follow us on Twitter [@Ethics Board](https://twitter.com/Ethics_Board).

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