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7 September 2018

Dr Stavros Thomadakis  
Chairman  
International Ethics Standards Board for Accountants,  
529 Fifth Avenue, 6th Floor,  
New York, NY 10017

Dear Stavros,

### **CIMA RESPONSE TO THE IESBA PROPOSED STRATEGY AND WORK PLAN 2019 – 2023**

CIMA is grateful for the opportunity to comment on IESBA's proposed strategy and work plan 2019 – 2023.

As we indicated in our meeting in London in February, we are extremely supportive of IESBA's work generally and extend that support to the new strategy and work plan. Our comments on the specific questions are as follows:

#### **1. Do you agree with the proposed criteria for the IESBA to determine its actions and priorities over the strategy period?**

Yes. We would suggest that "global relevance" must include some assessment of the outlook of individual jurisdictions towards a particular initiative. With certain issues – e.g. NOCLAR – there is no doubt that the concept is relevant across the world, but the extent to which it is necessary or possible for regulators to act in those jurisdictions varies according to the statutory framework (so that in the USA, state laws about client confidentiality may restrict the ability of standard setters to implement changes in full).

#### **2. Do you support the actions that have been identified with respect to each strategic theme? If not, please explain why.**

Yes. We agree in particular that a rigorous examination of the ethical and practical implications of technological advancement will be vital to ensure that the Code remains relevant and fit for purpose. We would particularly highlight that the effect of new technology on training and business structures may be significant in this regard – for instance, professionals of the future may be more selective about which parts of a training syllabus they choose to suit their own career development. This implies a need to ensure that ethical responsibilities remain a core component of any level of membership of the accounting professions and that this does not become optional. Similarly, businesses empowered by AI systems may have a reduced need for qualified staff. Some thinking is therefore required about how the ethical protections offered by the Code extends to the client outcome, regardless of whether the service is provided by qualified staff or only under the supervision of qualified staff.

We also believe that the Code needs to reflect the evolution of corporate reporting towards greater integrated and narrative reporting, based on both financial and non-financial information.

We note that: *"the IESBA sees a clear imperative to deepen and expand the Code's influence by vigorously promoting global adoption of the revised and restructured Code (or simply the "restructured Code")."* Again, we are supportive of this proposal, though would suggest that this form part of the strategic theme of "Expanding the IESBA's Perspectives and Inputs", specifically the intention *"to extend*



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*and deepen engagement and cooperation with stakeholders*". Deeper and closer contact with stakeholders should be the starting point for assessing relevance and directions of travel of projects. In turn this will hopefully encourage wider adoption of the revised Code. We would therefore strongly encourage increasing the frequency and quality of contact with national and international regulatory bodies.

**3. Recognizing that this proposed SWP is ambitious do you believe the IESBA should accelerate or defer any work stream(s)? If so, please explain why.**

We are content with the work plan, though we suggest that it may be difficult to achieve any measure of consensus on the right course as regards tax planning and related services. For that reason, we suggest that the IESBA may need to remain flexible in its timescales for the work plan.

**4. Do you have any comments on any other matters addressed in this consultation paper or any significant matters not covered in this consultation paper that you believe the IESBA should address?**

It might assist if the IESBA were able to produce details of the progress towards adoption of the revised and restructured Code by professional organisations across the world. We believe that publishing such information would also be a useful spur towards adoption by regulators.

Kind regards,

Yours sincerely

**Peter Steel**  
**Vice President, Professional Standards and Conduct**