

## **The Independence Requirements of the IAASB Chair**

### **Independence Requirements**

Prior to appointment, the IAASB Chair must consent to the general principle and specific rules, indicated below, that establish an appropriate degree of independence from the accounting profession, former and potential employers, and other related professional arrangements.

#### *General Principle*

The Chair shall sever all employment relationships with current or former employers and shall not hold any position giving rise to incentives or conflicts of interest which might call into question their independence of judgment in setting auditing standards.

#### *Specific Rules*

The specific rules, which are intended to reinforce or clarify the general principle, are:

1. Secondments and any pre-appointment right to return to an employer would not be permitted;
2. On completion of his/her term as chair, there would be a cooling off period of two years, during which time the candidate would refrain from interaction with the IAASB, unless the such interaction were at the specific request of the new Chair;
3. The appointee would sign a public declaration, which, in addition to affirming the general principle and rules 1 and 2, above, would assert that:
  - The Chair will act in the public interest and with integrity in discharging the responsibilities of his/her role within IFAC; and
  - The Chair will serve the IAASB to the best of their abilities while not submitting to improper influence from any source, whether firm, organizational, national, regional or other;
4. The IAASB Chair would not, from the date of announcement of his or her appointment to the date of completion of his or her term, enter any negotiation in respect of employment subsequent to his/her term as Chair which, in the opinion of either the IFAC Board or the PIOB, would impair or be perceived to impair the independence of the Chair.