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Extending the Impact of the IESBA Code

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Inaugural Stakeholder
Advisory Council Meeting
April 29-30, 2024
New York, New York

AGENDA

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Strategic Focus on Extending the
Impact of the Code



2 New Work Streams



Questions & Discussion

STRATEGIC FOCUS ON EXTENDING IMPACT OF CODE

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- IESBA agreed to explore opportunity to extend impact of Code as a strategic focus area
- Rationale:
 - Importance of ethics in promoting public trust and confidence in business and organizations
 - Current situation: PAIBs vs those who are not
 - In public interest that all preparers of financial and non-financial information abide by the same high standards of ethical conduct
 - Also in public interest that individuals performing same services as PAs be subject to same high ethics standards
- Approach:
 - A phased approach beginning with Sustainability
 - Need for expansive stakeholder engagement
 - 2 new work streams in 2025

NEW WORK STREAMS IN 2025

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Exploring extending the impact of the Code to all preparers of sustainability information

- Sustainability ED on reporting only covers PAIBs and not all preparers of sustainability information
- Conduct extensive outreach
- Consider information from Sustainability project
- Coordinate with new work stream on role of CFOs/senior PAIBs when that work stream begins later in strategy period
- Take into account existing regimes

Developing independence standards for sustainability assurance engagements not within the scope of Part 5 of the Code

- Independence provisions in IESSA do not cover all sustainability assurance engagements
- Part 4B currently applies if practitioner is a PA but not a non-PA
- IESBA will consider how best to ensure all independence standards for sustainability assurance engagements are profession-agnostic



Subject to outcomes of these work streams, IESBA will further explore extending the scope of the Code more broadly

QUESTIONS AND DISCUSSION

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How do you see the sustainability reporting landscape evolving over the next few years, and how might this affect who is involved in reporting on sustainability information within companies?

Do you agree that all preparers of financial and non-financial information, whether or not they are professional accountants, should be subject to the same high ethics standards?

How can IESBA effectively engage investors, those charged with governance (TCWG), users, regulators and other stakeholders outside the accountancy profession as it pursues the strategic objective of extending the impact of the Code beyond PAs?



QUESTIONS AND DISCUSSION

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What are the key considerations IESBA should take into account when commencing the work stream on exploring extending the impact of the Code to all preparers of sustainability information?

Absent a specific regulatory requirement, how might companies be guided to voluntarily adopt the IESBA Code to apply to those who perform similar professional activities as PAs internally but are not PAs themselves? What might be the challenges or hurdles and how might they be overcome?



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