

ED—IESBA Conforming Amendments¹: Issues

Objective of the Agenda Item:

The objective of this Agenda Item is to:

- (a) Provide an overview of respondents' feedback on the Exposure Draft (ED) of Conforming Amendments to the IAASB International Standards² as a Result of the Revised IESBA Code³;
- (b) Obtain the Board's views about how the significant issues and concerns raised by respondents have been addressed; and
- (c) Obtain the Board's approval of the final Conforming Amendments to the IAASB International Standards as a Result of the Revised IESBA Code.

I. Introduction

1. This project falls under the umbrella of IAASB-IESBA coordination, a strategic commitment of the two Boards, and builds on their overarching commitment for enhanced connectivity and coordination to better serve the public interest.
2. The comment period for the ED closed on January 10th, 2020. 18 comment letters were received from stakeholders (**see Appendix 1**) within the exposure period.⁴ IAASB Staff reflected on all comments received to the ED and a summary of responses is provided in Section II.
3. In general, respondents were supportive of the IAASB's project of updating the IAASB Handbook to address inconsistencies between the International Standards in the IAASB Handbook and the revised IESBA Code, and concurred it is in the public interest that these be able to operate in concert.

Materials Presented—Appendices and Other Agenda Items Accompanying This Paper

4. This paper is organized as follows:
 - **Appendix 1** to this Agenda Item sets out a list of respondents to the DP.
 - **Appendix 2** to this Agenda Item provides the listing of Nvivo reports and Excel spreadsheets for each question in the ED.
 - **Appendix 3** to this Agenda Item provides a summary of changes to the IESBA Conforming Amendments as a result of respondents' comments.
5. Other papers provided comprise:

¹ [Exposure Draft, Conforming Amendments to the IAASB International Standards as a Result of the Revised IESBA Code](#)

² The IAASB's International Standards comprise the International Standards on Auditing (ISAs), International Standards on Review Engagements (ISREs), International Standards on Assurance Engagements (ISAEs), International Standards on Related Services (ISRSs), and International Standards on Quality Control (ISQCs)

³ International Ethics Standards Board for Accountants' (IESBA) *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code)

⁴ Four responses were received outside of the exposure period or were informal comments. While these have not been formally accepted due to the tight timelines in preparing for the IAASB conference calls, staff reviewed the late and informal responses to ensure that all substantive comments were also raised by other respondents.

- **Agenda Item 1-A** is the draft final Conforming Amendments to the IAASB International Standards as a result of the Revised IESBA Code.
- **Agenda Item 1-B.1 - 1-B.2 to Agenda Item 1-C.1 - 1-C.2** are the Nvivo reports that include the actual comments from the respondents on the questions summarized in Section II.
- **Agenda Item 1-D** to this Agenda Item is the IAASB Technical Director's advice to the IAASB on the status of due process.

II. Summary of Responses by Significant Theme

Conforming Amendments

Summary of Respondents' Comments Relating to the Proposed Conforming Amendments (see Nvivo Report 1-B.1 and Excel Summary 1-C.1)

6. In general, respondents agreed that the proposed limited amendments are sufficient to resolve actual or perceived inconsistencies between the IAASB's International Standards and the revised IESBA Code.
7. Among other supportive comments, respondents expressed views that:
 - (a) Effective coordination between IAASB and IESBA is essential to the successful and timely delivery of the Boards' respective projects;
 - (b) Encouraged the IAASB and IESBA to continue to proactively coordinate to maintain alignment between the respective sets of standards and to do so on a timely basis that minimizes periods of misalignment; and
 - (c) It is in the public interest that the International Standards and the IESBA Code are able to operate in concert and without any actual or perceived contradictions/inconsistencies or potential for confusion by users.
8. To assist the IAASB in reviewing the changes proposed by staff, respondents' comments giving rise to changes to the proposed limited IESBA Conforming Amendments were grouped into the following broad categories:
 - (a) Category A: Editorial comments;
 - (b) Category B: Improvements to the alignment with the terminology and references used by the IESBA Code;
 - (c) Category C: Improving consistency throughout the proposed conforming amendments being proposed; and
 - (d) Category D: Comments that the changes proposed which are not necessary and/or where the change was inconsistent with the limited nature of the project.
9. The changes to the ED as result of result of respondents' comments are shown in **Appendix 3. Agenda Item 1-A** contains the draft final Conforming Amendments to the IAASB International Standards as a result of the Revised IESBA Code. In both Appendix 3 and Agenda Item 1-A, changes since the ED have been marked and are highlighted in blue for easier identification.
10. Staff have had initial discussions with IESBA Staff and, consistent with comments received from a respondent, made a change to the definition of independence in the Glossary to align with the IESBA Code. At the CAG's request, the agenda material for the IAASB teleconference will be circulated to CAG

Representatives for their offline comments. If comments are received from IESBA or from CAG Representatives, they will be circulated to the IAASB prior to the teleconference.

11. Respondents also raised comments which were considered, but did not give rise to changes to the final IESBA Conforming Amendments. These comments were generally in the nature of suggestions for alternative wording, pre-existing differences between the IAASB Standards and the IESBA Code (outside the scope of the project); and matters related to other IAASB standards or coordination items between the IAASB and IESBA (outside the scope for this project).

Matter for IAASB Consideration

1. Does the IAASB approve the final Conforming Amendments to the IAASB International Standards as a result of the Revised IESBA Code in **Agenda Item 1-A**?

Effective Date of Application

Summary of Respondents' Comments Relating to the proposed Effective Date of Application of the Conforming Amendments (see Nvivo Report 1-B.2 and Excel Summary 1-C.2)

12. Overall, respondents agreed with the proposed effective date of application of approximately 90 days after the approval of the due process by the Public Interest Oversight Board, and expressed views that:
- (a) It is in the public interest that the amendments become effective on a timely basis, given the revised provisions in the IESBA Code already became effective in June 2019;
 - (b) The proposed effective date would help avoid prolonging the differences between the IAASB's International Standards and the revised IESBA Code;
 - (c) Given the limited nature of the amendments being proposed and the fact that the conforming amendments do not create any new obligations or re-consideration of the objectives, requirements and application material of the International Standards, a longer effective date is considered unnecessary; and
 - (d) An extended effective date would unnecessarily delay the production of the IAASB Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements.
13. The three respondents who did not support the proposed effective date highlighted the following:
- (a) The proposed effective date was insufficient time for translations; and
 - (b) Some jurisdictions will need to comply with national due process requirements and as a result may need to have a later effective dates than that set by IAASB.

These respondents suggested various alternative effective dates ranging from 6-18 months after the approval of the due process by the Public Interest Oversight Board.

14. Staff recommend that the IAASB continue to support an effective date of 90 days after the approval of the due process by the Public Interest Oversight Board. This timeline is sufficient given the limited nature of the changes and will allow production of the IAASB Handbook to proceed as planned. Staff also recommend that the Basis for Conclusions note that national standard-setters may need to take additional time to adopt the changes given the need for translations and national due process requirements.

Matter for IAASB Consideration

2. Does the IAASB support the effective date of application of 90 days after the approval of the due process by the Public Interest Oversight Board?

Appendix 1

IESBA Conforming Amendments - List of Respondents

No.	Written Respondents	Region
Regulators and Audit Oversight Authorities		Total: 2
1.	Financial Reporting Council	Europe
2.	Independent Regulatory Board for Auditors (IRBA)	Middle East and Africa
National Auditing Standard Setters		Total: 2
3.	New Zealand Auditing and Assurance Standards Board (NZAuASB)	Asia Pacific
4.	Royal Netherlands Institute of Chartered Accountants (NBA)	Europe
Accounting Firms⁵		Total: 4
5.	Ernst & Young Global Limited*	Global
6.	KPMG*	Global
7.	PwC*	Global
8.	RSM International Limited*	Global
Member Bodies and Other Professional Organizations		Total: 7
9.	Association of Chartered Certified Accountants (ACCA)	Global
10.	Danish Auditors (FSR)	Europe
11.	Federación Argentina de Consejos Profesionales de Cs. Económicas (FACPCE)	South America
12.	Institute of Chartered Accountants in England and Wales (ICAEW)	Europe
13.	Institute of Chartered Accountants of Pakistan	Asia Pacific
14.	Inter-American Accounting Association (IAA)	South America
15.	Malaysian Institute of Certified Public Accountants (MICPA)	Asia Pacific
16.	South African Institute of Chartered Accountants (SAICA)	Middle East and Africa
Individuals and Others		Total: 2
17.	Alvaro Fonseca Vivas	South America
18.	Mazedul Islam	Asia Pacific

⁵ Forum of Firms members are indicated with a *. The Forum of Firms is an association of international networks of accounting firms that perform [transnational audits](#).

Appendix 2

Listing of Nvivo Reports and Excel Summary Spreadsheets

Description:	Question # in Explanatory Memorandum	Nvivo Word Report Reference:	Excel Summary Sheet Reference:
Proposed Conforming Amendments	1	1-B.1	1-C.1
Effective Date of Application	2	1-B.2	1-C.2

Appendix 3

Summary of Changes to the IESBA Conforming Amendments

IAASB Standards		Proposed Change in ED	Category of Change	Final Paragraphs
Standard	Extant Paragraphs			
Glossary	<p><i>Independence</i>¹⁶—Comprises:</p> <p>(a) Independence of mind—the state of mind that permits the provision of an opinion without being affected by influences that compromise professional judgment, allowing an individual to act with integrity, and exercise objectivity and professional skepticism.</p> <p>(b) Independence in appearance—the avoidance of facts and circumstances that are so significant a reasonable and informed third party, having knowledge of all relevant information, including any safeguards applied, would reasonably conclude a firm's, or a member of the assurance team's, integrity, objectivity or professional skepticism had been compromised.</p> <p>¹⁶ As defined in the IESBA <i>Code of Ethics for Professional Accountants</i></p>	<p><i>Independence</i>¹⁶—Comprises:</p> <p>(a) Independence of mind—the state of mind that permits the <u>expression</u> provision of an opinion without being affected by influences that compromise professional judgment, <u>thereby</u> allowing an individual to act with integrity, and exercise objectivity and professional skepticism.</p> <p>(b) Independence in appearance—the avoidance of facts and circumstances that are so significant <u>that</u> a reasonable and informed third party, having knowledge of all relevant information, including any safeguards applied, would <u>be likely to reasonably conclude that</u> a firm's or a member of the an audit or assurance team's <u>member's</u> integrity, objectivity or professional skepticism has been compromised.</p> <p>¹⁶ As defined in the IESBA <i>Code of Ethics for Professional Accountants (including</i></p>	A & B	<p><i>Independence</i>¹⁶—Comprises:</p> <p>(a) Independence of mind—the state of mind that permits the <u>expression</u> provision of an opinion <u>conclusion</u> without being affected by influences that compromise professional judgment, <u>thereby</u> allowing an individual to act with integrity, and exercise objectivity and professional skepticism.</p> <p>(b) Independence in appearance—the avoidance of facts and circumstances that are so significant <u>that</u> a reasonable and informed third party, having knowledge of all relevant information, including any safeguards applied, would <u>be likely to reasonably conclude that</u> a firm's or a member of the an audit or assurance team's <u>member's</u>, integrity, objectivity or professional skepticism has been compromised.</p> <p>¹⁶ As defined in the <u>International Ethics Standards Board of Accountants' (IESBA) International Code of Ethics for Professional</u></p>

IAASB Standards		Proposed Change in ED	Category of Change	Final Paragraphs
Standard	Extant Paragraphs			
		<u>International Independence Standards</u> (IESBA Code)		<u>Accountants (including International Independence Standards) (IESBA Code)</u>
Glossary (Refer also to standards that contain this definition)	<i>Relevant ethical requirements</i> —Ethical requirements to which the engagement team and engagement quality control reviewer are subject, which ordinarily comprise Parts A and B of the International Ethics Standards Board for Accountants’ <i>Code of Ethics for Professional Accountants</i> (IESBA Code) together with national requirements that are more restrictive. In the context of ISRE 2400 (Revised), relevant ethical requirements are defined as the ethical requirements the engagement team is subject to when undertaking review engagements. These requirements ordinarily comprise Parts A and B of the International Ethics Standards Board for Accountants’ <i>Code of Ethics for Professional Accountants</i> (IESBA Code), together with national requirements that are more restrictive. In the context of ISRS 4410 (Revised), relevant ethical requirements are defined as the ethical requirements the engagement team is subject to when undertaking compilation engagements. These requirements ordinarily comprise Parts A and B of the International Ethics Standards Board for Accountants’ <i>Code</i>	<i>Relevant ethical requirements (in the context of ISQC 1)</i> —Ethical requirements to which the engagement team and engagement quality control reviewer are subject <u>when undertaking audits or reviews of financial statements, or other assurance or related services engagements</u> , which ordinarily comprise <u>the provisions of the Parts A and B of the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards)</u> (IESBA Code) together with national requirements that are more restrictive. <i>Relevant ethical requirements (in the context of the ISAs)</i> —Ethical requirements to which the engagement team and engagement quality control reviewer are subject <u>when undertaking an audit engagement, which ordinarily comprise the provisions of the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards)</u> (IESBA Code) related to an audit of <u>financial statements, together with national requirements that are more restrictive.</u>	A	<i>Relevant ethical requirements (in the context of ISQC 1)</i> —Ethical requirements to which the engagement team and engagement quality control reviewer are subject <u>when undertaking audits or reviews of financial statements, or other assurance or related services engagements</u> , which ordinarily comprise <u>the provisions of the Parts A and B of the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards)</u> (IESBA Code), together with national requirements that are more restrictive. <i>Relevant ethical requirements (in the context of the ISAs)</i> —Ethical requirements to which the engagement team and engagement quality control reviewer are subject <u>when undertaking an audit engagement, which ordinarily comprise the provisions of the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards)</u> (IESBA Code) related to an audit of <u>financial statements, together with national requirements that are more restrictive.</u>

IAASB Standards		Proposed Change in ED	Category of Change	Final Paragraphs
Standard	Extant Paragraphs			
	<p>of Ethics for Professional Accountants (IESBA Code) (excluding Section 290, <i>Independence—Audit and Review Engagements</i>, and Section 291, <i>Independence—Other Assurance Engagements</i> in Part B), together with national requirements that are more restrictive.</p>	<p>Relevant ethical requirements (in the context of ISRE 2400 (Revised)), relevant ethical requirements are defined as the eEthical requirements to which the engagement team is subject to—when undertaking a review engagements, which. These requirements ordinarily comprise the provisions of Parts A and B of the International Ethics Standards Board for Accountants’ <i>International Code of Ethics for Professional Accountants (including International Independence Standards)</i> (IESBA Code) related to a review of financial statements, together with national requirements that are more restrictive.</p> <p>Relevant ethical requirements (in the context of ISRS 4410 (Revised)), relevant ethical requirements are defined as the eEthical requirements to which the engagement team is subject to—when undertaking a compilation engagements, which. These requirements ordinarily comprise Parts A and B of the provisions of the International Ethics Standards Board for Accountants’ <i>International Code of Ethics for Professional Accountants (including International Independence Standards)</i> (IESBA Code) (excluding Section 290, <i>Independence—Audit and Review Engagements</i>, and Section 291, <i>Independence—Other Assurance Engagements</i> in Part B) related to</p>		<p>Relevant ethical requirements (in the context of ISRE 2400 (Revised)), relevant ethical requirements are defined as the eEthical requirements to which the engagement team is subject to—when undertaking a review engagements, which. These requirements ordinarily comprise the provisions of Parts A and B of the International Ethics Standards Board for Accountants’ <i>International Code of Ethics for Professional Accountants (including International Independence Standards)</i> (IESBA Code) related to a review of financial statements, together with national requirements that are more restrictive.</p> <p>Relevant ethical requirements (in the context of ISRS 4410 (Revised)), relevant ethical requirements are defined as the eEthical requirements to which the engagement team is subject to—when undertaking a compilation engagements, which. These requirements ordinarily comprise Parts A and B of the provisions of the International Ethics Standards Board for Accountants’ <i>International Code of Ethics for Professional Accountants (including International Independence Standards)</i> (IESBA Code) (excluding Section 290, <i>Independence—Audit and Review Engagements</i>, and Section 291, <i>Independence—Other Assurance Engagements</i> in Part B) related to</p>

IAASB Standards		Proposed Change in ED	Category of Change	Final Paragraphs
Standard	Extant Paragraphs			
		compilation engagements, together with national requirements that are more restrictive.		compilation engagements, together with national requirements that are more restrictive.
ISQC 1 Paragraph 21	<p>The firm shall establish policies and procedures designed to provide it with reasonable assurance that the firm, its personnel and, where applicable, others subject to independence requirements (including network firm personnel) maintain independence where required by relevant ethical requirements. Such policies and procedures shall enable the firm to: (Ref: Para. A10)</p> <p>(a) Communicate its independence requirements to its personnel and, where applicable, others subject to them; and</p> <p>(b) Identify and evaluate circumstances and relationships that create threats to independence, and to take appropriate action to eliminate those threats or reduce them to an acceptable level by applying safeguards, or, if considered appropriate, to withdraw from the engagement, where withdrawal is possible under applicable law or regulation.</p>	<p>...</p> <p>(b) Identify and evaluate circumstances and relationships that create threats to independence, <u>evaluate whether the identified threats are at an acceptable level, and address them by and to take appropriate action to eliminating the circumstances that create the threat, applying safeguards, or withdrawing from the engagement, safeguards, or, if considered appropriate, to withdraw from the engagement, where withdrawal is possible under applicable law or regulation.</u></p>	C	<p>...</p> <p>(b) Identify and evaluate circumstances and relationships that create threats to independence, <u>evaluate whether the identified threats are at an acceptable level, and, if not, address them by and to take appropriate action—to eliminating the circumstances that create the threats, applying safeguards to reduce threats to an acceptable level,</u> or withdrawing from the engagement, safeguards, or, if considered appropriate, to withdraw from the engagement, where withdrawal is possible under applicable law or regulation.</p>

IAASB Standards		Proposed Change in ED	Category of Change	Final Paragraphs
Standard	Extant Paragraphs			
ISQC 1 Paragraph 22	<p>Such policies and procedures shall require: (Ref: Para. A10)</p> <p>(a) Engagement partners to provide the firm with relevant information about client engagements, including the scope of services, to enable the firm to evaluate the overall impact, if any, on independence requirements;</p> <p>(b) Personnel to promptly notify the firm of circumstances and relationships that create a threat to independence so that appropriate action can be taken; and</p> <p>(c) The accumulation and communication of relevant information to appropriate personnel so that:</p> <p>(i) The firm and its personnel can readily determine whether they satisfy independence requirements;</p> <p>(ii) The firm can maintain and update its records relating to independence; and</p> <p>(iii) The firm can take appropriate action regarding identified threats</p>	<p>Such policies and procedures shall require: (Ref: Para. A10)</p> <p>(a) Engagement partners to provide the firm with relevant information about client engagements, including the scope of services, to enable the firm to evaluate the overall impact, if any, on independence requirements;</p> <p>(b) Personnel to promptly notify the firm of circumstances and relationships that create a threat <u>circumstances and relationships that create a threat to compliance with independence requirements so that the firm can evaluate whether such threats are at an acceptable level and if not, address them by eliminating the circumstances that create the threat, applying safeguards, or withdrawing from the engagement, where withdrawal is possible under applicable law or regulation appropriate action can be taken</u>; and</p> <p>(c) The accumulation and communication of relevant information to appropriate personnel so that:</p> <p>(i) The firm and its personnel can readily determine whether they satisfy independence requirements;</p>	D	<p>Such policies and procedures shall require: (Ref: Para. A10)</p> <p>(a) Engagement partners to provide the firm with relevant information about client engagements, including the scope of services, to enable the firm to evaluate the overall impact, if any, on independence requirements;</p> <p>(b) Personnel to promptly notify the firm of circumstances and relationships that create a threat to independence so that appropriate action can be taken; and</p> <p>(c) The accumulation and communication of relevant information to appropriate personnel so that:</p> <p>(i) The firm and its personnel can readily determine whether they satisfy independence requirements;</p> <p>(ii) The firm can maintain and update its records relating to independence; and</p> <p>(iii) The firm can take appropriate action regarding identified threats to independence that are not at an acceptable level.</p>

IAASB Standards		Proposed Change in ED	Category of Change	Final Paragraphs
Standard	Extant Paragraphs			
	to independence that are not at an acceptable level.	<p>(ii) The firm can maintain and update its records relating to independence; and</p> <p>(iii) The firm can take appropriate action regarding identified threats to independence that are not at an acceptable level.</p>		
ISQC 1 Paragraph 25	<p>The firm shall establish policies and procedures: (Ref: Para. A10)</p> <p>(a) Setting out criteria for determining the need for safeguards to reduce the familiarity threat to an acceptable level when using the same senior personnel on an assurance engagement over a long period of time; and</p> <p>(b) Requiring, for audits of financial statements of listed entities, the rotation of the engagement partner and the individuals responsible for engagement quality control review, and, where applicable, others subject to rotation requirements, after a specified period in compliance with relevant ethical requirements. (Ref: Para. A12–A17)</p>	<p>The firm shall establish policies and procedures: (Ref: Para. A10)</p> <p>(a) <u>Eliminating the threat or</u> Setting out criteria for applying determining the need for safeguards to reduce <u>the threat of the long association with an entity to an acceptable level,</u> the familiarity threat to an acceptable level when using the same senior personnel on an assurance engagement over a long period of time; and</p> <p>(b) Requiring, for audits of financial statements of listed entities, the rotation of the engagement partner and the individuals responsible for engagement quality control review, and, where applicable, others subject to rotation requirements, after a specified period in compliance with relevant ethical requirements. (Ref: Para. A12–A17)</p>	C & D	<p>The firm shall establish policies and procedures: (Ref: Para. A10)</p> <p>(a) <u>Eliminating the threat or</u> Setting out criteria for applying determining the need to eliminate the circumstances that create a threat or for applying safeguards to reduce <u>the a</u> threat of the long association <u>with an entity to an acceptable level,</u> the familiarity threat to an acceptable level when using the same senior personnel on an assurance engagement over a long period of time; and</p> <p>(b) Requiring, for audits of financial statements of listed entities, the rotation of the engagement partner and the individuals responsible for engagement quality control review, and, where applicable, others subject to rotation requirements, after a specified period in compliance with relevant ethical requirements. (Ref: Para. A12–A17)</p>
ISQC 1	Part B of the IESBA Code illustrates how the conceptual framework is to be	Part B of is to be applied in specific situations. It provides examples of	B	Part B of is to be applied in specific situations. It provides examples of

IAASB Standards		Proposed Change in ED	Category of Change	Final Paragraphs
Standard	Extant Paragraphs			
Paragraph A8	<p>applied in specific situations. It provides examples of safeguards that may be appropriate to address threats to compliance with the fundamental principles and also provides examples of situations where safeguards are not available to address the threats.</p>	<p>safeguards that may be appropriate to address threats to compliance with the fundamental principles and also provides examples of situations where safeguards are not available to address the threats.</p> <p><u>The IESBA Code provides a conceptual framework that professional accountants are to apply in order to identify, evaluate and address threats to compliance with the fundamental principles. In the case of audits, reviews and other assurance engagements, the IESBA Code sets out <i>International Independence Standards</i>, which apply the conceptual framework of identifying, evaluating and addressing threats to the fundamental principles and compliance with independence requirements.</u></p>		<p>safeguards that may be appropriate to address threats to compliance with the fundamental principles and also provides examples of situations where safeguards are not available to address the threats.</p> <p><u>The IESBA Code provides a conceptual framework that establishes the approach which a professional accountants is required are to apply when in order to identifying, evaluating and addressing threats to compliance with the fundamental principles. In the case of audits, reviews and other assurance engagements, the IESBA Code sets out <i>International Independence Standards</i>, established by the application of which apply the conceptual framework of identifying, evaluating and addressing to threats to the fundamental principles and compliance with independence in relation to those engagements requirements.</u></p>
ISQC 1 Paragraph A13	<p>Determining appropriate criteria to address familiarity threat may include matters such as:</p> <ul style="list-style-type: none"> The nature of the engagement, including the extent to which it involves a matter of public interest; and 	<p><u>The IESBA Code includes examples of factors that are relevant to evaluating the level of a threat that may arise when an individual is involved in an assurance engagement over a long period of time. The IESBA Code also provides examples of actions:</u></p>	B	<p><u>The IESBA Code includes examples of factors that are relevant to evaluating the level of a threat that may arise when an individual is involved in an assurance engagement over a long period of time. The IESBA Code also provides examples of actions to address threats, including:</u></p>

IAASB Standards		Proposed Change in ED	Category of Change	Final Paragraphs
Standard	Extant Paragraphs			
	<ul style="list-style-type: none"> The length of service of the senior personnel on the engagement. <p>Examples of safeguards include rotating the senior personnel or requiring an engagement quality control review.</p>	<ul style="list-style-type: none"> <u>Eliminating the threats, by rotating the individual off the engagement team; or</u> <u>Applying safeguards to reduce the threats to an acceptable level.</u> <p>Determining appropriate criteria to address familiarity threat may include matters such as:</p> <ul style="list-style-type: none"> • The nature of the engagement, including the extent to which it involves a matter of public interest; and • The length of service of the senior personnel on the engagement. <p>Examples of safeguards include rotating the senior personnel or requiring an engagement quality control review.</p>		<ul style="list-style-type: none"> <u>Eliminating threat, by rotating the individual off the engagement team; or</u> <u>Applying safeguards to reduce the threats to an acceptable level.</u> <p>Determining appropriate criteria to address familiarity threat may include matters such as:</p> <ul style="list-style-type: none"> • The nature of the engagement, including the extent to which it involves a matter of public interest; and • The length of service of the senior personnel on the engagement. <p>Examples of safeguards include rotating the senior personnel or requiring an engagement quality control review.</p>
ISQC 1 Paragraph A14	<p>The IESBA Code recognizes that the familiarity threat is particularly relevant in the context of financial statement audits of listed entities. For these audits, the IESBA Code requires the rotation of the key audit partner⁴ after a pre-defined period, normally no more than seven years, and provides related standards and guidance. National requirements may establish shorter rotation periods.</p> <p>⁴ As defined in the IESBA Code</p>	<p><u>The IESBA Code requires the rotation of the engagement partner, the engagement quality control reviewer, and other key audit partners⁴ in respect of certain engagements.</u> The IESBA Code recognizes that the familiarity threat is particularly relevant in the context of financial statement audits of listed entities. For these audits, the IESBA Code requires the rotation of the key audit partner⁴ after a pre-defined period, normally no more than seven years, and provides related standards and guidance. National</p>	D	<p><u>The IESBA Code requires the rotation of the engagement partner, the engagement quality control reviewer, and other key audit partners⁴ in respect of certain engagements.</u> The IESBA Code recognizes that the familiarity threat is particularly relevant in the context of financial statement audits of listed entities. For these audits, the IESBA Code requires the rotation of the key audit partner⁴ after a pre-defined period, normally no more than seven years, and provides related standards and guidance. National</p>

IAASB Standards		Proposed Change in ED	Category of Change	Final Paragraphs
Standard	Extant Paragraphs			
		<p>requirements may establish shorter rotation periods.</p> <p>4 As defined in the IESBA Code</p>		<p>requirements may establish shorter rotation periods.</p> <p>4 As defined in the IESBA Code</p>
ISA 200 Paragraph A17	<p>Part A of the IESBA Code establishes the fundamental principles of professional ethics relevant to the auditor when conducting an audit of financial statements and provides a conceptual framework for applying those principles. The fundamental principles with which the auditor is required to comply by the IESBA Code are:</p> <p>(a) Integrity;</p> <p>(b) Objectivity;</p> <p>(c) Professional competence and due care;</p> <p>(d) Confidentiality; and</p> <p>(e) Professional behavior.</p> <p>Part B of the IESBA Code illustrates how the conceptual framework is to be applied in specific situations.</p>	<p>Part A of the IESBA Code establishes the fundamental principles of ethics, which are and provides a conceptual framework for applying those principles. The fundamental principles with which the auditor is required to comply by the IESBA Code are:</p> <p>(a) Integrity;</p> <p>(b) Objectivity;</p> <p>(c) Professional competence and due care;</p> <p>(d) Confidentiality; and</p> <p>(e) Professional behavior.</p> <p>Part B of the IESBA Code illustrates how the conceptual framework is to be applied in specific situations. The fundamental principles of ethics establish the standard of behavior expected of a professional accountant.</p> <p>The IESBA Code provides a conceptual framework that professional accountants are to apply in order to identify, evaluate and address threats to compliance with the fundamental principles. In the case of audits, reviews and other assurance engagements, the IESBA Code sets out</p>	B	<p>Part A of the IESBA Code establishes the fundamental principles of ethics, which are and provides a conceptual framework for applying those principles. The fundamental principles with which the auditor is required to comply by the IESBA Code are:</p> <p>(a) Integrity;</p> <p>(b) Objectivity;</p> <p>(c) Professional competence and due care;</p> <p>(d) Confidentiality; and</p> <p>(e) Professional behavior.</p> <p>Part B of the IESBA Code illustrates how the conceptual framework is to be applied in specific situations. The fundamental principles of ethics establish the standard of behavior expected of a professional accountant.</p> <p>The IESBA Code provides a conceptual framework that establishes the approach which a professional accountant is required are to apply when in order to identifying, evaluating and addressing threats to compliance with the fundamental principles. In the case of audits, reviews</p>

IAASB Standards		Proposed Change in ED	Category of Change	Final Paragraphs
Standard	Extant Paragraphs			
		<u>International Independence Standards</u> , which apply the conceptual framework of identifying, evaluating and addressing threats to the fundamental principles and compliance with independence requirements.		and other assurance engagements, the IESBA Code sets out <i>International Independence Standards</i> , established by the application of which apply the conceptual framework of identifying, evaluating and addressing to threats to the fundamental principles and compliance with independence in relation to those engagements requirements.
ISA 220 Paragraph 11	<p>The engagement partner shall form a conclusion on compliance with independence requirements that apply to the audit engagement. In doing so, the engagement partner shall: (Ref: Para. A5)</p> <p>(a) Obtain relevant information from the firm and, where applicable, network firms, to identify and evaluate circumstances and relationships that create threats to independence;</p> <p>(b) Evaluate information on identified breaches, if any, of the firm's independence policies and procedures to determine whether they create a threat to independence for the audit engagement; and</p> <p>(c) Take appropriate action to eliminate such threats or reduce them to an acceptable level by applying safeguards, or, if considered</p>	<p>The engagement partner shall form a conclusion on compliance with independence requirements that apply to the audit engagement. In doing so, the engagement partner shall: (Ref: Para. A5)</p> <p>(a) Obtain relevant information from the firm and, where applicable, network firms, to identify and evaluate circumstances and relationships that create threats to independence;</p> <p>(b) Evaluate information on identified breaches, if any, of the firm's independence policies and procedures to determine whether they create a threat to independence for the audit engagement; and</p> <p>(c) <u>Evaluate whether the identified threats are at an acceptable level; and</u></p> <p>(d) <u>Take appropriate action to address the threats by eliminating the circumstances that create the threats.</u></p>	C	<p>The engagement partner shall form a conclusion on compliance with independence requirements that apply to the audit engagement. In doing so, the engagement partner shall: (Ref: Para. A5)</p> <p>(a) Obtain relevant information from the firm and, where applicable, network firms, to identify and evaluate circumstances and relationships that create threats to independence;</p> <p>(b) Evaluate information on identified breaches, if any, of the firm's independence policies and procedures to determine whether they create a threat to independence for the audit engagement; and</p> <p>(c) <u>Evaluate whether the identified threats are at an acceptable level; and</u></p> <p>(d) <u>Take appropriate action to address the threats that are not at an acceptable level by eliminating the circumstances that</u></p>

IAASB Standards		Proposed Change in ED	Category of Change	Final Paragraphs
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	appropriate, to withdraw from the audit engagement, where withdrawal is possible under applicable law or regulation. The engagement partner shall promptly report to the firm any inability to resolve the matter for appropriate action. (Ref: Para. A6–A7)	applying safeguards, or withdrawing—Take appropriate action to eliminate such threats or reduce them to an acceptable level by applying safeguards, or, if considered appropriate, to withdraw from the engagement, where withdrawal is possible under applicable law or regulation. The engagement partner shall promptly report to the firm any inability to resolve the matter for appropriate action. (Ref: Para. A6–A7)		create the threats, applying safeguards to reduce threats to an acceptable level , or withdrawing—Take appropriate action to eliminate such threats or reduce them to an acceptable level by applying safeguards, or, if considered appropriate, to withdraw from the engagement, where withdrawal is possible under applicable law or regulation. The engagement partner shall promptly report to the firm any inability to resolve the matter for appropriate action. (Ref: Para. A6–A7)
ISA 220 Paragraph A6	The engagement partner may identify a threat to independence regarding the audit engagement that safeguards may not be able to eliminate or reduce to an acceptable level. In that case, as required by paragraph 11(c), the engagement partner reports to the relevant person(s) within the firm to determine appropriate action, which may include eliminating the activity or interest that creates the threat, or withdrawing from the audit engagement, where withdrawal is possible under applicable law or regulation.	The engagement partner may identify a threat to independence regarding the audit engagement that safeguards may not be able to eliminate or reduce to an acceptable level. In that case, as required by paragraph 11(c), the engagement partner reports to the relevant person(s) within the firm to determine <u>the</u> appropriate action, which may include eliminating the <u>circumstance that is creating activity or interest that creates</u> the threat, or withdrawing from the audit engagement, where withdrawal is possible under applicable law or regulation.	A, B & C	The engagement partner may identify a threat to independence regarding the audit engagement that safeguards may not be able to eliminate or reduce to at an acceptable level. In that case, as required by paragraph 11(ed), the engagement partner reports to the relevant person(s) within the firm to determine <u>the</u> appropriate action, which may include eliminating the circumstance that is creating activity or interest that creates the threat, applying safeguards to reduce the threat to an acceptable level or withdrawing from the audit engagement, where withdrawal is possible under applicable law or regulation.
ISA 220	Law, regulation, or relevant ethical requirements ⁷ may require the auditor to	7 See, for example, <u>paragraph R320.8</u> Sections 240.14 of the IESBA Code.	B	7 See, for example, <u>paragraph R320.8</u> Sections 240.14 of the IESBA Code.

IAASB Standards		Proposed Change in ED	Category of Change	Final Paragraphs
Standard	Extant Paragraphs			
Paragraph A9	<p>request, prior to accepting the engagement, the predecessor auditor to provide known information regarding any facts or circumstances that, in the predecessor auditor's judgment, the auditor needs to be aware of before deciding whether to accept the engagement. In some circumstances, the predecessor auditor may be required, on request by the proposed successor auditor, to provide information regarding identified or suspected non-compliance with laws and regulations to the proposed successor auditor. For example, where the predecessor auditor has withdrawn from the engagement as a result of identified or suspected non-compliance with laws and regulations, the IESBA Code requires that the predecessor auditor, on request by a proposed successor auditor, provides all such facts and other information concerning such non-compliance that, in the predecessor auditor's opinion, the proposed successor auditor needs to be aware of before deciding whether to accept the audit appointment.⁸</p> <p>7 See, for example, Sections 210.14 of the IESBA Code.</p> <p>8 See, for example, Sections 225.31 of the IESBA Code.</p>	<p>8 See, for example, <u>paragraph R360.22</u> Sections 225.34 of the IESBA Code.</p>		<p>8 See, for example, <u>paragraphs R360.22 and R360.23</u> Sections 225.34 of the IESBA Code.</p>

IAASB Standards		Proposed Change in ED	Category of Change	Final Paragraphs
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ISA 260 (Revised) Paragraph 17	<p>In the case of listed entities, the auditor shall communicate with those charged with governance:</p> <p>(a) A statement that the engagement team and others in the firm as appropriate, the firm and, when applicable, network firms have complied with relevant ethical requirements regarding independence; and</p> <p>(i) All relationships and other matters between the firm, network firms, and the entity that, in the auditor's professional judgment, may reasonably be thought to bear on independence. This shall include total fees charged during the period covered by the financial statements for audit and non-audit services provided by the firm and network firms to the entity and components controlled by the entity. These fees shall be allocated to categories that are appropriate to assist those charged with governance in assessing the effect of services on the independence of the auditor; and</p> <p>(ii) The related safeguards that have been applied to eliminate identified threats to independence or reduce them to an acceptable level. (Ref: Para. A29–A32)</p>	<p>In the case of listed entities, the auditor shall communicate with those charged with governance:</p> <p>(a) A statement that the engagement team and others in the firm as appropriate, the firm and, when applicable, network firms have complied with relevant ethical requirements regarding independence; and</p> <p>(i) All relationships and other matters between the firm, network firms, and the entity that, in the auditor's professional judgment, reasonably be thought to bear on independence. This shall include total fees charged during the period covered by the financial statements for audit and non-audit services provided by the firm and network firms to the entity and components controlled by the entity. These fees shall be allocated to categories that are appropriate to assist those charged with governance in assessing the effect of services on the independence of the auditor; and</p> <p>(ii) <u>In respect of threats to independence that are not at an acceptable level, the actions taken to address the threat, including actions that were taken to eliminate such threats, or any</u> The related safeguards that have been</p>	C	<p>In the case of listed entities, the auditor shall communicate with those charged with governance:</p> <p>(a) A statement that the engagement team and others in the firm as appropriate, the firm and, when applicable, network firms have complied with relevant ethical requirements regarding independence; and</p> <p>(i) All relationships and other matters between the firm, network firms, and the entity that, in the auditor's professional judgment, reasonably be thought to bear on independence. This shall include total fees charged during the period covered by the financial statements for audit and non-audit services provided by the firm and network firms to the entity and components controlled by the entity. These fees shall be allocated to categories that are appropriate to assist those charged with governance in assessing the effect of services on the independence of the auditor; and</p> <p>(ii) <u>In respect of threats to independence that are not at an acceptable level, the actions taken to address the threats, including actions that were taken to eliminate the circumstances that create the such threats, or applying any</u> The</p>

IAASB Standards		Proposed Change in ED	Category of Change	Final Paragraphs
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		applied to eliminate identified reduce them the threats to an acceptable level. (Ref: Para. A29–A32)		related safeguards that have been applied to eliminate identified reduce them the threats to an acceptable level. (Ref: Para. A29–A32)
ISA 260 (Revised) Paragraph A30	<p>The relationships and other matters, and safeguards to be communicated, vary with the circumstances of the engagement, but generally address:</p> <p>(a) Threats to independence, which may be categorized as: self-interest threats, self-review threats, advocacy threats, familiarity threats, and intimidation threats; and</p> <p>(b) Safeguards created by the profession, legislation or regulation, safeguards within the entity, and safeguards within the firm's own systems and procedures</p>	<p>The <u>communication about</u> relationships and other matters, and <u>how threats to independence</u> that are not at an acceptable level <u>have been addressed</u> safeguards to be communicated, varies with the circumstances of the engagement <u>and generally addresses the threats to independence, safeguards to reduce the threats, and measures to eliminate threats,</u> but generally address:</p> <p>(a) Threats to independence, which may be categorized as: self-interest threats, self-review threats, advocacy threats, familiarity threats, and intimidation threats; and</p> <p>(b) Safeguards created by the profession, legislation or regulation, safeguards within the entity, and safeguards within the firm's own systems and procedures</p>	C	<p>The <u>communication about</u> relationships and other matters, and <u>how threats to independence</u> that are not at an acceptable level <u>have been addressed</u> safeguards to be communicated, varies with the circumstances of the engagement <u>and generally addresses the threats to independence, safeguards to reduce the threats, and measures to eliminate</u> <u>circumstances that created</u> threats, but generally address:</p> <p>(a) Threats to independence, which may be categorized as: self-interest threats, self-review threats, advocacy threats, familiarity threats, and intimidation threats; and</p> <p>(b) Safeguards created by the profession, legislation or regulation, safeguards within the entity, and safeguards within the firm's own systems and procedures</p>
ISA 260 (Revised)	Relevant ethical requirements or law or regulation may also specify particular communications to those charged with	Relevant ethical requirements or law or regulation may also specify particular communications to those charged with	B	Relevant ethical requirements or law or regulation may also specify particular communications to those charged with

IAASB Standards		Proposed Change in ED	Category of Change	Final Paragraphs
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Paragraph A31	<p>governance in circumstances where breaches of independence requirements have been identified. For example, the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) requires the auditor to communicate with those charged with governance in writing about any breach and the action the firm has taken or proposes to take.²⁵</p> <p>25 See Section 290.39–49 of the IESBA Code, which addresses breaches of independence.</p>	<p>governance in circumstances where breaches of independence requirements have been identified. For example, the International Ethics Standards Board for Accountants' <i>International Code of Ethics for Professional Accountants—(including International Independence Standards)</i> (IESBA Code) requires the auditor to communicate with those charged with governance in writing about any breach and the action the firm has taken or proposes to take.²⁵</p> <p>25 See, for example, paragraphs R400.81, R400.82 and R400.84 Section 290.39–49 of the IESBA Code, which addresses breaches of independence.</p>		<p>governance in circumstances where breaches of independence requirements have been identified. For example, the International Ethics Standards Board for Accountants' <i>International Code of Ethics for Professional Accountants—(including International Independence Standards)</i> (IESBA Code) requires the auditor to communicate with those charged with governance in writing about any breach and the action the firm has taken or proposes to take.²⁵</p> <p>25 See, for example, paragraphs R400.801, R400.82 and R400.84 Section 290.39–49 of the IESBA Code, which addresses breaches of independence.</p>
ISA 610 (Revised 2013) Paragraph A14	<p>In addition, the IESBA Code¹⁷ states that a self-review threat is created when the external auditor accepts an engagement to provide internal audit services to an audit client, and the results of those services will be used in conducting the audit. This is because of the possibility that the engagement team will use the results of the internal audit service without properly evaluating those results or without exercising the same level of professional skepticism as would be exercised when the internal audit work is performed by individuals who are not</p>	<p>17 The International Ethics Standards Board for Accountants' <i>International Code of Ethics for Professional Accountants (including International Independence Standards)</i> (IESBA Code), paragraph 605.4 A3–Section 290.194</p> <p>18 IESBA Code, paragraphs R605.1–R605.5 Section 290.190–290.195</p>	B	<p>17 The International Ethics Standards Board for Accountants' <i>International Code of Ethics for Professional Accountants (including International Independence Standards)</i> (IESBA Code), paragraph 605.4 A32–Section 290.194</p> <p>18 IESBA Code, paragraphs R605.1–R605.5 Section 290.190–290.195</p>

IAASB Standards		Proposed Change in ED	Category of Change	Final Paragraphs
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	<p>members of the firm. The IESBA Code¹⁸ discusses the prohibitions that apply in certain circumstances and the safeguards that can be applied to reduce the threats to an acceptable level in other circumstances.</p> <p>17 The International Ethics Standards Board for Accountants' <i>Code of Ethics for Professional Accountants</i> (IESBA Code), Section 290.194</p> <p>18 IESBA Code, Section 290.190–290.195</p>			
ISA 620 Paragraph A18	<p>A broad range of circumstances may threaten objectivity, for example, self-interest threats, advocacy threats, familiarity threats, self-review threats, and intimidation threats. Safeguards may eliminate or reduce such threats, and may be created by external structures (for example, the auditor's expert's profession, legislation or regulation), or by the auditor's expert's work environment (for example, quality control policies and procedures). There may also be safeguards specific to the audit engagement.</p>	<p>A broad range of circumstances may threaten objectivity, for example, self-interest threats, advocacy threats, familiarity threats, self-review threats, and intimidation threats. Safeguards may eliminate or reduce such threats, and may be created by external structures (for example, the auditor's expert's profession, legislation or regulation). Such threats may be addressed by eliminating the circumstances that create the threats, applying safeguards, or by the auditor's expert's work environment (for example, quality control policies and procedures). There may also be safeguards specific to the audit engagement.</p>	C	<p>A broad range of circumstances may threaten objectivity, for example, self-interest threats, advocacy threats, familiarity threats, self-review threats, and intimidation threats. Safeguards may eliminate or reduce such threats, and may be created by external structures (for example, the auditor's expert's profession, legislation or regulation). Such threats may be addressed by eliminating the circumstances that create the threats, applying safeguards to reduce threats to an acceptable level, or by the auditor's expert's work environment (for example, quality control policies and procedures). There may also be safeguards specific to the audit engagement.</p>

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ISA 620 Paragraph A19	The evaluation of the significance of threats to objectivity and of whether there is a need for safeguards may depend upon the role of the auditor's expert and the significance of the expert's work in the context of the audit. There may be some circumstances in which safeguards cannot reduce threats to an acceptable level, for example, if a proposed auditor's expert is an individual who has played a significant role in preparing the information that is being audited, that is, if the auditor's expert is a management's expert.	The evaluation of <u>whether the threats to objectivity are at an acceptable level</u> the significance of threats to objectivity and of whether there is a need for safeguards may depend upon the role of the auditor's expert and the significance of the expert's work in the context of the audit. There may be some circumstances in which safeguards cannot reduce threats to an acceptable level, for example, if a proposed auditor's expert is an individual who has played a significant role in preparing the information that is being audited, that is, if the auditor's expert is a management's expert.	C	The evaluation of <u>whether the threats to objectivity are at an acceptable level</u> the significance of threats to objectivity and of whether there is a need for safeguards may depend upon the role of the auditor's expert and the significance of the expert's work in the context of the audit. <u>In some cases, it may not be possible to eliminate circumstances that create threats or apply safeguards to reduce threats to an acceptable level</u> There may be some circumstances in which safeguards cannot reduce threats to an acceptable level , for example, if a proposed auditor's expert is an individual who has played a significant role in preparing the information that is being audited, that is, if the auditor's expert is a management's expert.
ISA 700 (Revised) Paragraph 40	The Auditor's Responsibilities for the Audit of the Financial Statements section of the auditor's report also shall: (Ref: Para. A50) ... (b) For audits of financial statements of listed entities, state that the auditor provides those charged with governance with a statement that the auditor has complied with relevant ethical requirements regarding independence and	The Auditor's Responsibilities for the Audit of the Financial Statements section of the auditor's report also shall: (Ref: Para. A50) ... (b) For audits of financial statements of listed entities, state that the auditor provides those charged with governance with a statement that the auditor has complied with relevant ethical requirements regarding independence and communicates with them all relationships and other	B	The Auditor's Responsibilities for the Audit of the Financial Statements section of the auditor's report also shall: (Ref: Para. A50) ... (b) For audits of financial statements of listed entities, state that the auditor provides those charged with governance with a statement that the auditor has complied with relevant ethical requirements regarding independence and communicates with them all relationships and other

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	communicates with them all relationships and other matters that may reasonably be thought to bear on the auditor's independence, and where applicable, related safeguards; and	matters that may reasonably be thought to bear on the auditor's independence, and where applicable, <u>related safeguards how threats have been eliminated or safeguards applied</u> ; and		matters that may reasonably be thought to bear on the auditor's independence, and where applicable, <u>related safeguards how actions taken to eliminate threats have been eliminated</u> or safeguards applied; and

ISA 700 (Revised) Appendix (various) *** Various illustrative reports in the other standards require the same update	We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the <i>Auditor's Responsibilities for the Audit of the Financial Statements</i> section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' <i>Code of Ethics for Professional Accountants</i> (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in <i>[jurisdiction]</i> , and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.	We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the <i>Auditor's Responsibilities for the Audit of the Financial Statements</i> section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' <u>International Code of Ethics for Professional Accountants (including International Independence Standards)</u> (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in <i>[jurisdiction]</i> , and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.	A	We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the <i>Auditor's Responsibilities for the Audit of the Financial Statements</i> section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' <u>International Code of Ethics for Professional Accountants (including International Independence Standards)</u> (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in <i>[jurisdiction]</i> , and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

IAASB Standards		Proposed Change in ED	Category of Change	Final Paragraphs
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ISA 700 (Revised) Appendix (various) *** Various illustrative reports in the other standards require the same update	We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.	We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, <u>related safeguards how threats have been eliminated or safeguards applied.</u>	B	We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, <u>related safeguards how actions taken to eliminate threats have been eliminated</u> or safeguards applied.
ISA 800 Illustration 3	We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.	We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, <u>how threats have been eliminated or safeguards applied. related safeguards.</u>	B	We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, <u>how actions taken to eliminate threats have been eliminated</u> or <u>safeguards applied. related safeguards.</u>
ISA 805 Illustration 3	We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our	We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our	B	We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and

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	independence, and where applicable, related safeguards.	independence, and where applicable, <u>how threats have been eliminated or safeguards applied.</u> related safeguards.		where applicable, <u>how actions taken to eliminate</u> threats have been eliminated or safeguards applied. related safeguards.
ISA 810 (Revised) Paragraph A13	<p>In reading the information included in a document containing the summary financial statements and the auditor's report thereon, the auditor may become aware that such information is misleading and may need to take appropriate action. Relevant ethical requirements¹⁴ require the auditor to avoid being knowingly associated with information that the auditor believes contains a materially false or misleading statement, statements or information furnished recklessly, or omits or obscures information required to be included where such omission or obscurity would be misleading.</p> <p>14 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), paragraph 110.2</p>	<p>14 International Ethics Standards Board for Accountants' <u>International Code of Ethics for Professional Accountants (including International Independence Standards)</u> (IESBA Code), paragraph R111.2-110.2.</p>	A	<p>14 International Ethics Standards Board for Accountants' <u>International Code of Ethics for Professional Accountants (including International Independence Standards)</u> (IESBA Code), paragraph R111.2-110.2.</p>
IAPN 1000 Paragraph 78	<p>A key consideration in audits involving financial instruments, particularly complex financial instruments, is the competence of the auditor. ISA 220¹⁵ requires the engagement partner to be satisfied that the engagement team, and any auditor's experts who are not part of the engagement team, collectively have</p>	<p>15 ISA 220, paragraph 14</p> <p>16 <u>International Code of Ethics for Professional Accountants (including International Independence Standards)</u> (IESBA Code) paragraphs 320.1–320.10 A1.</p>	A	<p>15 ISA 220, paragraph 14</p> <p>16 <u>International Ethics Standards Board of Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards)</u> (IESBA Code) paragraphs 320.1–320.10 A1.</p>

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	<p>the appropriate competence and capabilities to perform the audit engagement in accordance with professional standards and applicable legal and regulatory requirements and to enable an auditor's report that is appropriate in the circumstances to be issued. Further, relevant ethical requirements¹⁶ require the auditor to determine whether acceptance of the engagement would create any threats to compliance with the fundamental principles, including the professional competence and due care. Paragraph 79 below provides examples of the types of matters that may be relevant to the auditor's considerations in the context of financial instruments.</p> <p>15 ISA 220, paragraph 14</p> <p>16 IESBA Code of Ethics for Professional Accountants paragraphs 210.1 and 210.6</p>			
ISRE 2400 (Revised) Paragraph A15	<p>Part A of the IESBA Code establishes the fundamental principles of professional ethics practitioners must comply with, and provides a conceptual framework for applying those principles. The fundamental principles are:</p> <p>(a) Integrity;</p> <p>(b) Objectivity;</p>	<p>Part A of tThe IESBA Code establishes the fundamental principles of ethics, <u>which are</u> that practitioners must comply with, and provides a conceptual framework for applying those principles. The fundamental principles are:</p> <p>(a) Integrity;</p> <p>(b) Objectivity;</p>	B & C	<p>Part A of tThe IESBA Code establishes the fundamental principles of ethics, <u>which are</u> that practitioners must comply with, and provides a conceptual framework for applying those principles. The fundamental principles are:</p> <p>(a) Integrity;</p> <p>(b) Objectivity;</p>

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	<p>(c) Professional competence and due care;</p> <p>(d) Confidentiality; and</p> <p>(e) Professional behavior.</p> <p>Part B of the IESBA Code illustrates how the conceptual framework is to be applied in specific situations. In complying with the IESBA Code, threats to the practitioner's compliance with relevant ethical requirements are required to be identified and appropriately addressed.</p>	<p>(c) Professional competence and due care;</p> <p>(d) Confidentiality; and</p> <p>(e) Professional behavior.</p> <p>Part B of the IESBA Code illustrates how the conceptual framework is to be applied in specific situations. In complying with the IESBA Code, threats to the practitioner's compliance with relevant ethical requirements are required to be identified and appropriately addressed.</p> <p><u>The IESBA Code provides a conceptual framework that professional accountants are to apply in order to identify, evaluate and address threats to compliance with the fundamental principles. In the case of audits, reviews and other assurance engagements, the IESBA Code sets out <i>International Independence Standards</i>, which apply the conceptual framework of identifying, evaluating and addressing threats to the fundamental principles and compliance with independence requirements.</u></p>		<p>(c) Professional competence and due care;</p> <p>(d) Confidentiality; and</p> <p>(e) Professional behavior.</p> <p><u>The fundamental principles of ethics establish the standard of behaviour expected of a professional accountant.</u></p> <p>Part B of the IESBA Code illustrates how the conceptual framework is to be applied in specific situations. In complying with the IESBA Code, threats to the practitioner's compliance with relevant ethical requirements are required to be identified and appropriately addressed.</p> <p><u>The IESBA Code provides a conceptual framework that establishes the approach which a professional accountant is required are to apply when in order to identifying, evaluating and addressing threats to compliance with the fundamental principles. In the case of audits, reviews and other assurance engagements, the IESBA Code sets out <i>International Independence Standards</i>, established by the application of which apply the conceptual framework of identifying, evaluating and addressing to threats to the fundamental principles and compliance with independence in relation to those engagements requirements.</u></p>

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ISRE 2400 (Revised) Paragraph A88	<p>The practitioner may have additional responsibilities under law, regulation or relevant ethical requirements regarding an entity's non-compliance with laws and regulations, including fraud, which may differ from or go beyond this ISRE, such as:</p> <p>(a) Responding to identified or suspected non-compliance with laws and regulations, including requirements in relation to specific communications with management and those charged with governance and considering whether further action is needed;</p> <p>(b) Communicating identified or suspected non-compliance with laws and regulations to an auditor, for example a group engagement partner;¹¹ and</p> <p>(c) Documentation requirements regarding identified or suspected non-compliance with laws and regulations.</p> <p>Complying with any additional responsibilities may provide further information that is relevant to the practitioner's work in accordance with this ISRE (e.g., regarding the integrity of</p>	<p>11 See, for example, Sections 225.44–225.48 paragraphs R360.29–360.40 A1 of the IESBA Code.</p>	B	<p>11 See, for example, Sections 225.44–225.48 paragraphs R360.2931–360.4035 A1 of the IESBA Code.</p>

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	<p>management or, where appropriate, those charged with governance).</p> <p>11 See, for example, Sections 225.44–225.48 of the IESBA Code.</p>			
ISAE 3000 (Revised) Paragraph A30	<p>Part A of the IESBA Code establishes the following fundamental principles with which the practitioner is required to comply:</p> <ul style="list-style-type: none"> (a) Integrity; (b) Objectivity; (c) Professional competence and due care; (d) Confidentiality; and (e) Professional behavior. 	<p>Part A of the The IESBA Code establishes the following fundamental principles <u>of ethics</u>, which are with which the practitioner is required to comply:</p> <ul style="list-style-type: none"> (a) Integrity; (b) Objectivity; (c) Professional competence and due care; (d) Confidentiality; and (e) Professional behavior. 	C	<p>Part A of the The IESBA Code establishes the <u>following</u> fundamental principles <u>of ethics</u>, which are with which the practitioner is required to comply:</p> <ul style="list-style-type: none"> (a) Integrity; (b) Objectivity; (c) Professional competence and due care; (d) Confidentiality; and (e) Professional behavior. <p><u>The fundamental principles of ethics establish the standard of behaviour expected of a professional accountant.</u></p>
ISAE 3000 (Revised) Paragraph A31	<p>Part A of the IESBA Code also provides a conceptual framework for professional accountants to apply to:</p> <ul style="list-style-type: none"> (a) Identify threats to compliance with the fundamental principles. Threats fall into one or more of the following categories: <ul style="list-style-type: none"> (i) Self-interest; (ii) Self-review; 	<p><u>The IESBA Code provides a conceptual framework that professional accountants are to apply in order to identify, evaluate and address threats to compliance with the fundamental principles. In the case of audits, reviews and other assurance engagements, the IESBA Code sets out <i>International Independence Standards</i>, which apply the conceptual framework of identifying, evaluating and addressing</u></p>	C & D	<p><u>The IESBA Code provides a conceptual framework that professional accountants are required to apply when in order to identify, evaluate and addressing threats to compliance with the fundamental principles. In the case of audits, reviews and other assurance engagements, the IESBA Code sets out <i>International Independence Standards</i>, which apply the conceptual framework of identifying,</u></p>

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	<p>(iii) Advocacy;</p> <p>(iv) Familiarity; and</p> <p>(v) Intimidation;</p> <p>(b) Evaluate the significance of the threats identified; and</p> <p>(c) Apply safeguards, when necessary, to eliminate the threats or reduce them to an acceptable level. Safeguards are necessary when the professional accountant determines that the threats are not at a level at which a reasonable and informed third party would be likely to conclude, weighing all the specific facts and circumstances available to the professional accountant at that time, that compliance with the fundamental principles is not compromised.</p>	<p>threats to the fundamental principles and compliance with independence requirements.</p> <p>Part A of the IESBA Code also provides a conceptual framework for professional accountants to apply to. This includes:</p> <p>(a) Identifying threats to compliance with the fundamental principles. Threats fall into one or more of the following categories:</p> <p>(i) Self-interest;</p> <p>(ii) Self-review;</p> <p>(iii) Advocacy;</p> <p>(iv) Familiarity; and</p> <p>(v) Intimidation;</p> <p>(b) Evaluating <u>whether the significance of the threats identified are at an acceptable level</u>; and</p> <p>(c) <u>If the identified threats to compliance with the fundamental principles are not at an acceptable level, addressing them by eliminating the circumstances that create the threats, applying safeguards, or withdrawing from the engagement, where withdrawal is possible under applicable law or regulation.</u></p>		<p>evaluating and addressing threats to the fundamental principles and compliance with independence requirements, including:</p> <p>Part A of the IESBA Code also provides a conceptual framework for professional accountants to apply to. This includes:</p> <p>(a) Identifying threats to compliance with the fundamental principles. Threats fall into one or more of the following categories:</p> <p>(i) Self-interest;</p> <p>(ii) Self-review;</p> <p>(iii) Advocacy;</p> <p>(iv) Familiarity; and</p> <p>(v) Intimidation;</p> <p>(b) Evaluating <u>whether the significance of the threats identified are at an acceptable level</u>; and</p> <p>(c) <u>If the identified threats to compliance with the fundamental principles are not at an acceptable level, addressing them by eliminating the circumstances that create the threats, applying safeguards to reduce threats to an acceptable level, or withdrawing from the engagement.</u></p>

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		(c) Apply safeguards, when necessary, to eliminate the threats or reduce them to an acceptable level. Safeguards are necessary when the professional accountant determines that the threats are not at a level at which a reasonable and informed third party would be likely to conclude, weighing all the specific facts and circumstances available to the professional accountant at that time, that compliance with the fundamental principles is not compromised.		<p><u>where withdrawal is possible under applicable law or regulation.</u></p> <p>(c) Apply safeguards, when necessary, to eliminate the threats or reduce them to an acceptable level. Safeguards are necessary when the professional accountant determines that the threats are not at a level at which a reasonable and informed third party would be likely to conclude, weighing all the specific facts and circumstances available to the professional accountant at that time, that compliance with the fundamental principles is not compromised.</p>
ISAE 3000 (Revised) Paragraph A32	<p>Part B of the IESBA Code describes how the conceptual framework in Part A applies in certain situations to professional accountants in public practice, including:</p> <ul style="list-style-type: none"> Professional appointment; Conflicts of interest; Second opinions; Fees and other types of remuneration; Marketing professional services; Gifts and hospitality; Custody of client assets; 	<p>Part B ofThe IESBA Code <u>sets out requirements and application material on various topics</u> describes how the conceptual framework in Part A applies in certain situations to professional accountants in public practice, including:</p> <ul style="list-style-type: none"> Professional appointment; Conflicts of interest; <u>Professional appointment;</u> Second opinions; Fees and other types of remuneration; Marketing professional services; 	A	<p>Part B ofThe IESBA Code <u>sets out requirements and application material on various topics</u> describes how the conceptual framework in Part A applies in certain situations to professional accountants in public practice, including:</p> <ul style="list-style-type: none"> Professional appointment; Conflicts of interest; <u>Professional appointments;</u> Second opinions; Fees and other types of remuneration; Marketing professional services;

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	<ul style="list-style-type: none"> Objectivity; and Independence. 	<ul style="list-style-type: none"> <u>Inducements, including gGifts and hospitality;</u> Custody of client assets; <u>Responding to non-compliance with laws and regulations;</u> Objectivity; and Independence. 		<ul style="list-style-type: none"> <u>Inducements, including gGifts and hospitality;</u> Custody of client assets; and <u>Responding to non-compliance with laws and regulations;</u> Objectivity; and Independence.
ISAE 3000 (Revised) Paragraph A33	<p>The IESBA Code defines independence as comprising both independence of mind and independence in appearance. Independence safeguards the ability to form an assurance conclusion without being affected by influences that might compromise that conclusion. Independence enhances the ability to act with integrity, to be objective and to maintain an attitude of professional skepticism. Matters addressed in the IESBA Code with respect to independence include:</p> <ul style="list-style-type: none"> Financial interests; Loans and guarantees; Business relationships; Family and personal relationships; Employment with assurance clients; 	<p>The IESBA Code <u>also includes the <i>International Independence Standards</i>, which contain requirements and application material addressing the independence of professional accountants.</u> The IESBA Code defines independence as comprising both independence of mind and independence in appearance. Independence safeguards the ability to form an assurance conclusion without being affected by influences that might compromise that conclusion. Independence enhances the ability to act with integrity, to be objective and to maintain an attitude of professional skepticism. Matters addressed in <u>the <i>International Independence Standards</i> in the IESBA Code with respect to independence</u> include, <u>for example:</u></p> <ul style="list-style-type: none"> <u>Fees;</u> <u>Gifts and hospitality;</u> 	A & D	<p>The IESBA Code <u>also includes the <i>International Independence Standards</i>, which contain requirements and application material addressing the independence of professional accountants.</u> The IESBA Code defines independence as comprising both independence of mind and independence in appearance. Independence safeguards the ability to form an assurance conclusion without being affected by influences that might compromise that conclusion. Independence enhances the ability to act with integrity, to be objective and to maintain an attitude of professional skepticism. Matters addressed in <u>the <i>International Independence Standards</i> in the IESBA Code with respect to independence</u> include, <u>for example:</u></p> <ul style="list-style-type: none"> <u>Fees;</u> <u>Gifts and hospitality;</u> <u>Actual or threatened litigation;</u>

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	<ul style="list-style-type: none"> Recent service with an assurance client; Serving as a director or officer of an assurance client; Long association of senior personnel with assurance clients; Provision of non-assurance services to assurance clients; Fees (relative size, overdue, and contingent fees); Gifts and hospitality; and Actual or threatened litigation. 	<ul style="list-style-type: none"> <u>Actual or threatened litigation;</u> Financial interests; Loans and guarantees; Business relationships; Family and personal relationships; Employment with assurance clients; Recent service with an assurance client; Serving as a director or officer of an assurance client; <u>Employment with an assurance client;</u> Long association of senior personnel with <u>an</u> assurance clients; Provision of non-assurance services to <u>an</u> assurance clients; <u>and</u> <u>Reports that include a restriction on use and distribution.</u> Fees (relative size, overdue, and contingent fees); Gifts and hospitality; and Actual or threatened litigation. 		<ul style="list-style-type: none"> Financial interests; Loans and guarantees; Business relationships; Family and personal relationships; Employment with assurance clients; Recent service with an assurance client; Serving as a director or officer of an assurance client; <u>Employment with an assurance client;</u> Long association of senior personnel with <u>an</u> assurance clients; Provision of non-assurance services to <u>an</u> assurance clients; <u>and</u> <u>Reports that include a restriction on use and distribution.</u> Fees (relative size, overdue, and contingent fees); Gifts and hospitality; and Actual or threatened litigation.
ISAE 3000 (Revised) Paragraph A68	The IESBA Code requires the professional accountant in public practice to agree to provide only those	The IESBA Code <u>provides guidance on the self-interest threat to compliance with the principle of professional competence and</u>	B	The IESBA Code provides <u>requirements and guidance on the self-interest threat to compliance with the principle of</u>

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	<p>services that the professional accountant in public practice is competent to perform.⁴ The practitioner has sole responsibility for the assurance conclusion expressed, and that responsibility is not reduced by the practitioner's use of the work of a practitioner's expert. Nonetheless, if the practitioner using the work of a practitioner's expert, having followed this ISAE, concludes that the work of that expert is adequate for the practitioner's purposes, the practitioner may accept that expert's findings or conclusions in the expert's field as appropriate evidence.</p> <p>4 IESBA Code, paragraph 210.6</p>	<p><u>due care that is created if the engagement team does not possess, or cannot acquire, the competencies to perform the professional services—requires the professional accountant in public practice to agree to provide only those services that the professional accountant in public practice is competent to perform.</u>⁴ The practitioner has sole responsibility for the assurance conclusion expressed, and that responsibility is not reduced by the practitioner's use of the work of a practitioner's expert. Nonetheless, if the practitioner using the work of a practitioner's expert, having followed this ISAE, concludes that the work of that expert is adequate for the practitioner's purposes, the practitioner may accept that expert's findings or conclusions in the expert's field as appropriate evidence.</p> <p>4 IESBA Code, paragraph <u>320.3 A3-210.6</u></p>		<p><u>professional competence and due care that is created if the engagement team does not possess, or cannot acquire, the competencies to perform the professional services—requires the professional accountant in public practice to agree to provide only those services that the professional accountant in public practice is competent to perform.</u>⁴ The practitioner has sole responsibility for the assurance conclusion expressed, and that responsibility is not reduced by the practitioner's use of the work of a practitioner's expert. Nonetheless, if the practitioner using the work of a practitioner's expert, having followed this ISAE, concludes that the work of that expert is adequate for the practitioner's purposes, the practitioner may accept that expert's findings or conclusions in the expert's field as appropriate evidence.</p> <p>4 IESBA Code, paragraph <u>320.3 A3-210.6</u></p>
ISAE 3000 (Revised) Paragraph A128	<p>The evaluation of the significance of threats to objectivity and of whether there is a need for safeguards may depend upon the role of the practitioner's expert and the significance of the expert's work in the context of the engagement. There may be some circumstances in which safeguards cannot reduce threats to an acceptable</p>	<p>The evaluation of <u>whether the threats to objectivity are at an acceptable level</u> the significance of threats to objectivity and of whether there is a need for safeguards may depend upon the role of the practitioner's expert and the significance of the expert's work in the context of the engagement. There may be some circumstances in which safeguards cannot reduce threats to</p>	C	<p>The evaluation of <u>whether the threats to objectivity are at an acceptable level</u> the significance of threats to objectivity and of whether there is a need for safeguards may depend upon the role of the practitioner's expert and the significance of the expert's work in the context of the engagement. <u>In some cases, it may not be possible to eliminate circumstances that create threats</u></p>

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	level, for example, if a proposed practitioner's expert is an individual who has played a significant role in preparing the subject matter information.	an acceptable level, for example, if a proposed practitioner's expert is an individual who has played a significant role in preparing the subject matter information.		or apply safeguards to reduce threats to an acceptable level. There may be some circumstances in which safeguards cannot reduce threats to an acceptable level, for example, if a proposed practitioner's expert is an individual who has played a significant role in preparing the subject matter information.
ISAE 3000 (Revised) Paragraph A195	Law, regulation or relevant ethical requirements may: (a) Require the practitioner to report identified or suspected non-compliance with laws and regulations to an appropriate authority outside the entity. (b) Establish responsibilities under which reporting to an appropriate authority outside the entity may be appropriate in the circumstances. ⁸ 8 See, for example, Section 225.51 to 225.52 of the IESBA Code.	8 See, for example, <u>paragraphs R360.36 - 360.37</u> Section 225.51 to 225.52 of the IESBA Code.	A & B	8 See, for example, <u>paragraphs R360.36 - R360.37</u> Section 225.51 to 225.52 of the IESBA Code.
ISAE 3000 (Revised) Paragraph A199	The practitioner may consider consulting internally (e.g., within the firm or network firm), obtaining legal advice to understand the professional or legal implications of taking any particular course of action, or consulting on a confidential basis with a regulator or a professional body (unless doing so is	10 See, for example, <u>paragraph 360.39 A1</u> –Section 225.55 of the IESBA Code	A	10 See, for example, <u>paragraph 360.39 A1</u> –Section 225.55 of the IESBA Code.

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	<p>prohibited by law or regulations or would breach the duty of confidentiality).¹⁰</p> <p>10 See, for example, Section 225.55 of the IESBA Code.</p>			
ISAE 3402 Paragraph A53	<p>Appropriate actions to respond to the circumstances identified in paragraph 56, unless prohibited by law or regulation, may include:</p> <ul style="list-style-type: none"> • Obtaining legal advice about the consequences of different courses of action. • Communicating with those charged with governance of the service organization. • Determining whether to communicate with third parties (e.g., law, regulation or relevant ethical requirements may require the service auditor to report to an appropriate authority outside the entity or the external auditor of the service organization,³⁶ or establish responsibilities under which such reporting may be appropriate in the circumstances). • Modifying the service auditor's opinion, or adding an Other Matter paragraph. 	<p>36 See, for example, <u>paragraphs R360.29 to R360.340 A1</u>Section 225.44 to 225.48 of the IESBA Code.</p>	B	<p>36 See, for example, <u>paragraphs R360.31-29 to R360.3540 A1</u>Section 225.44 to 225.48 of the IESBA Code.</p>

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	<ul style="list-style-type: none"> Withdrawing from the engagement. <p>36 See, for example, Section 225.44 to 225.48 of the IESBA Code.</p>			
ISAE 3410 Paragraph A5	<p>The IESBA Code adopts a threats and safeguards approach to independence. Compliance with the fundamental principles may potentially be threatened by a broad range of circumstances. Many threats fall into the following categories:</p> <ul style="list-style-type: none"> Self-interest, for example, undue dependence on total fees from the entity. Self-review, for example, performing another service for the entity that directly affects the GHG statement, such as involvement in the quantification of the entity's emissions. Advocacy, for example, acting as an advocate on behalf of the entity with respect to the interpretation of the applicable criteria. Familiarity, for example, a member of the engagement team having a long association, or close or immediate family relationship, with an employee of the entity who is in a position to exert direct and 	<p>The IESBA Code adopts <u>requires application of a conceptual framework to identify, evaluate and address threats to the fundamental principles</u> and and safeguards approach to independence. Compliance with the fundamental principles may potentially be threatened by a broad range of circumstances. Many threats fall into the following categories:</p> <ul style="list-style-type: none"> Self-interest, for example, undue dependence on total fees from the entity. Self-review, for example, performing another service for the entity that directly affects the GHG statement, such as involvement in the quantification of the entity's emissions. Advocacy, for example, acting as an advocate on behalf of the entity with respect to the interpretation of the applicable criteria. Familiarity, for example, a member of the engagement team having a long association, or close or immediate family relationship, with an employee of the entity who is in a position to exert 	B	<p>The IESBA Code <u>sets out <i>International Independence Standards</i>, established by the application of the conceptual framework to threats to independence in relation to these engagements</u> adopts requires application of a conceptual framework to identify, evaluate and address threats to the fundamental principles and and safeguards approach to independence. Compliance with the fundamental principles may potentially be threatened by a broad range of circumstances. Many threats fall into the following categories:</p> <ul style="list-style-type: none"> Self-interest, for example, undue dependence on total fees from the entity. Self-review, for example, performing another service for the entity that directly affects the GHG statement, such as involvement in the quantification of the entity's emissions. Advocacy, for example, acting as an advocate on behalf of the entity with respect to the interpretation of the applicable criteria.

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	<p>significant influence over the preparation of the GHG statement.</p> <ul style="list-style-type: none"> Intimidation, for example, being pressured to reduce inappropriately the extent of work performed in order to lower fees, or being threatened with withdrawal of the practitioner's registration by a registering authority that is associated with the entity's industry group. 	<p>direct and significant influence over the preparation of the GHG statement.</p> <ul style="list-style-type: none"> Intimidation, for example, being pressured to reduce inappropriately the extent of work performed in order to lower fees, or being threatened with withdrawal of the practitioner's registration by a registering authority that is associated with the entity's industry group. 		<ul style="list-style-type: none"> Familiarity, for example, a member of the engagement team having a long association, or close or immediate family relationship, with an employee of the entity who is in a position to exert direct and significant influence over the preparation of the GHG statement. Intimidation, for example, being pressured to reduce inappropriately the extent of work performed in order to lower fees, or being threatened with withdrawal of the practitioner's registration by a registering authority that is associated with the entity's industry group.
ISAE 3410 Paragraph A6	Safeguards created by the profession, law or regulation, or safeguards in the work environment, may eliminate or reduce such threats to an acceptable level.	Safeguards created by the profession, law or regulation, or safeguards in the work environment, may eliminate or reduce such threats to an acceptable level. In cases when identified threats are not at an acceptable level, the IESBA Code requires that the threats be addressed by eliminating the circumstances that create the threats, applying safeguards, or withdrawing from the engagement, where withdrawal is possible under applicable law or regulation.	C	Safeguards created by the profession, law or regulation, or safeguards in the work environment, may eliminate or reduce such threats to an acceptable level. In cases when identified threats are not at an acceptable level, the IESBA Code requires that the threats be addressed by eliminating the circumstances that create the threats, applying safeguards to reduce threats to an acceptable level, or withdrawing from the engagement, where withdrawal is possible under applicable law or regulation.
ISAE 3420 Paragraph A10	The IESBA Code requires the practitioner to maintain appropriate professional knowledge and skill,	The IESBA Code requires the practitioner to <u>comply with the principle of professional competence and due care by attaining and</u>	B	The IESBA Code requires the practitioner to <u>comply with the principle of professional competence and due care by attaining and</u>

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	<p>including an awareness and understanding of relevant technical, professional and business developments, in order to provide competent professional service.⁷ In the context of this requirement of the IESBA Code, relevant capabilities and competence to perform the engagement also include matters such as the following:</p> <ul style="list-style-type: none"> • Knowledge and experience of the industry in which the entity operates; • An understanding of the relevant securities laws and regulations and related developments; • An understanding of the listing requirements of the relevant securities exchange and of capital market transactions such as mergers, acquisitions and securities offerings; • Familiarity with the process of preparing a prospectus and listing securities on the securities exchange; and • Knowledge of the financial reporting frameworks used in the preparation of the sources from which the unadjusted financial 	<p>maintaining appropriate professional knowledge and skill, including an awareness and understanding of relevant technical, professional and business developments, in order to provide competent professional service, <u>based on current technical and professional standards and relevant legislation and to act diligently in accordance with such professional standards and legislation.</u>⁷ In the context of this requirement of the IESBA Code, relevant capabilities and professional competence to perform the engagement also may include matters such as the following:</p> <p>....</p> <p>7 IESBA Code, paragraphs <u>R113.1</u> 130.1–130.3</p>		<p>maintaining appropriate professional knowledge and skill, including an awareness and understanding of relevant technical, professional and business developments, in order to provide competent professional service, <u>based on current technical and professional standards and relevant legislation and to</u> act <u>acting</u> diligently <u>and</u> in accordance with such professional standards and legislation.⁷ In the context of this requirement of the IESBA Code, relevant capabilities and professional competence to perform the engagement also may include matters such as the following:</p> <p>....</p> <p>7 IESBA Code, paragraphs <u>R113.1</u> 130.1–130.3</p>

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	<p>information and, if applicable, the acquiree's financial information have been extracted.</p> <p>7 IESBA Code, paragraphs 130.1–130.3</p>			
ISRS 4410 (Revised) Paragraph A19	<p>Part A of the IESBA Code establishes the fundamental principles of professional ethics that practitioners must comply with, and provides a conceptual framework for applying those principles. The fundamental principles are:</p> <ul style="list-style-type: none"> (a) Integrity; (b) Objectivity; (c) Professional competence and due care; (d) Confidentiality; and (e) Professional behavior. <p>Part B of the IESBA Code illustrates how the conceptual framework is to be applied in specific situations. In complying with the IESBA Code, threats to the practitioner's compliance with relevant ethical requirements are required to be identified and appropriately addressed.</p>	<p>Part A of the IESBA Code establishes the fundamental principles of professional ethics that practitioners must comply with, which are and provides a conceptual framework for applying those principles. The fundamental principles are:</p> <ul style="list-style-type: none"> (a) Integrity; (b) Objectivity; (c) Professional competence and due care; (d) Confidentiality; and (e) Professional behavior. <p>Part B of the IESBA Code illustrates how the conceptual framework is to be applied in specific situations. In complying with the IESBA Code, threats to the practitioner's compliance with relevant ethical requirements are required to be identified and</p> <p><u>The IESBA Code provides a conceptual framework that professional accountants are to apply in order to identify, evaluate and address threats to compliance with the fundamental principles. In the case of</u></p>	B & C	<p>Part A of the IESBA Code establishes the fundamental principles of professional ethics that practitioners must comply with, which are and provides a conceptual framework for applying those principles. The fundamental principles are:</p> <ul style="list-style-type: none"> (a) Integrity; (b) Objectivity; (c) Professional competence and due care; (d) Confidentiality; and (e) Professional behavior. <p><u>The fundamental principles of ethics establish the standard of behaviour expected of a professional accountant.</u></p> <p>Part B of the IESBA Code illustrates how the conceptual framework is to be applied in specific situations. In complying with the IESBA Code, threats to the practitioner's compliance with relevant ethical requirements are required to be identified and</p> <p><u>The IESBA Code provides a conceptual framework that establishes the approach</u></p>

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		audits, reviews and other assurance engagements, the IESBA Code sets out <i>International Independence Standards</i> , which apply the conceptual framework of identifying, evaluating and addressing threats to the fundamental principles and compliance with independence requirements.		which a professional accountant is required are to apply when in order to identifying, evaluating and addressing threats to compliance with the fundamental principles. In the case of audits, reviews and other assurance engagements, the IESBA Code sets out <i>International Independence Standards</i> , established by the application of which apply the conceptual framework of identifying, evaluating and addressing to threats to the fundamental principles and compliance with independence in relation to those engagements requirements.
ISRS 4410 (Revised) Paragraph A21e	The practitioner may consider consulting internally (e.g., within the firm or network firm), obtaining legal advice to understand the professional or legal implications of taking any particular course of action, or consulting on a confidential basis with a regulator or a professional body (unless doing so is prohibited by law or regulations or would breach the duty of confidentiality). ³⁹ 39 See, for example, Section 225.55 of the IESBA Code.	39 See, for example, paragraph 360.39 A1–Section 225.55 of the IESBA Code	A	39 See, for example, paragraph 360.39 A1–Section 225.55 of the IESBA Code.
International Framework for Assurance Engagements	The IESBA Code Part A of the IESBA Code establishes the following fundamental principles with	The IESBA Code Part A of the IESBA Code establishes the following fundamental principles of ethics.	B & C	The IESBA Code Part A of the IESBA Code establishes the following fundamental principles of ethics.

IAASB Standards		Proposed Change in ED	Category of Change	Final Paragraphs
Standard	Extant Paragraphs			
Paragraph 6	<p>which the practitioner is required to comply:</p> <ul style="list-style-type: none"> (a) Integrity; (b) Objectivity; (c) Professional competence and due care; (d) Confidentiality; and (e) Professional behavior. 	<p>which are with which the practitioner is required to comply:</p> <ul style="list-style-type: none"> (a) Integrity; (b) Objectivity; (c) Professional competence and due care; (d) Confidentiality; and (e) Professional behavior. 		<p>which are with which the practitioner is required to comply:</p> <ul style="list-style-type: none"> (a) Integrity; (b) Objectivity; (c) Professional competence and due care; (d) Confidentiality; and (e) Professional behavior. <p><u>The fundamental principles of ethics establish the standard of behaviour expected of a professional accountant.</u></p>