

Joint Trans-Tasman Roundtable on Post-Implementation Reviews on the Code of Ethics

Co-presented by APESB and XRB
3 June 2026



APESB & XRB Roundtable – Opening Karakia

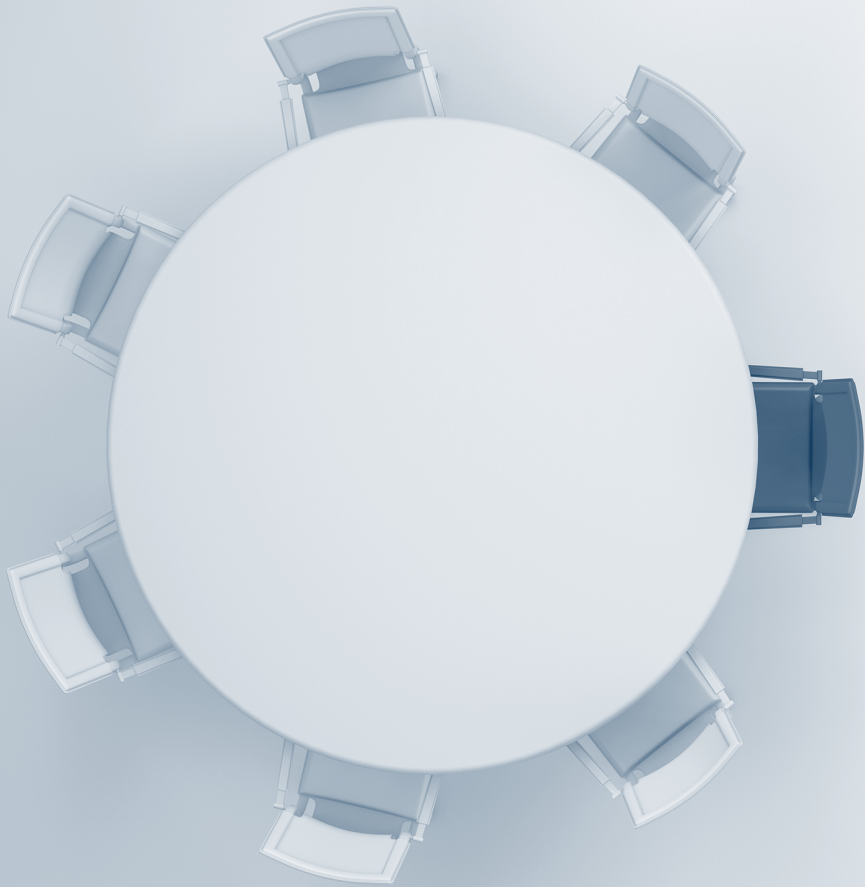
E te hui - *For this gathering*

Whāia te mātauranga kia mārama - *Seek knowledge and understanding*

Kia whai take ngā mahi katoa - *Have purpose in all that you do*

Tū māia, tū kaha - *Stand tall, be strong*

Aroha atu, aroha mai. Tātau i a tatou katoa - *Let us show respect and love for each other*

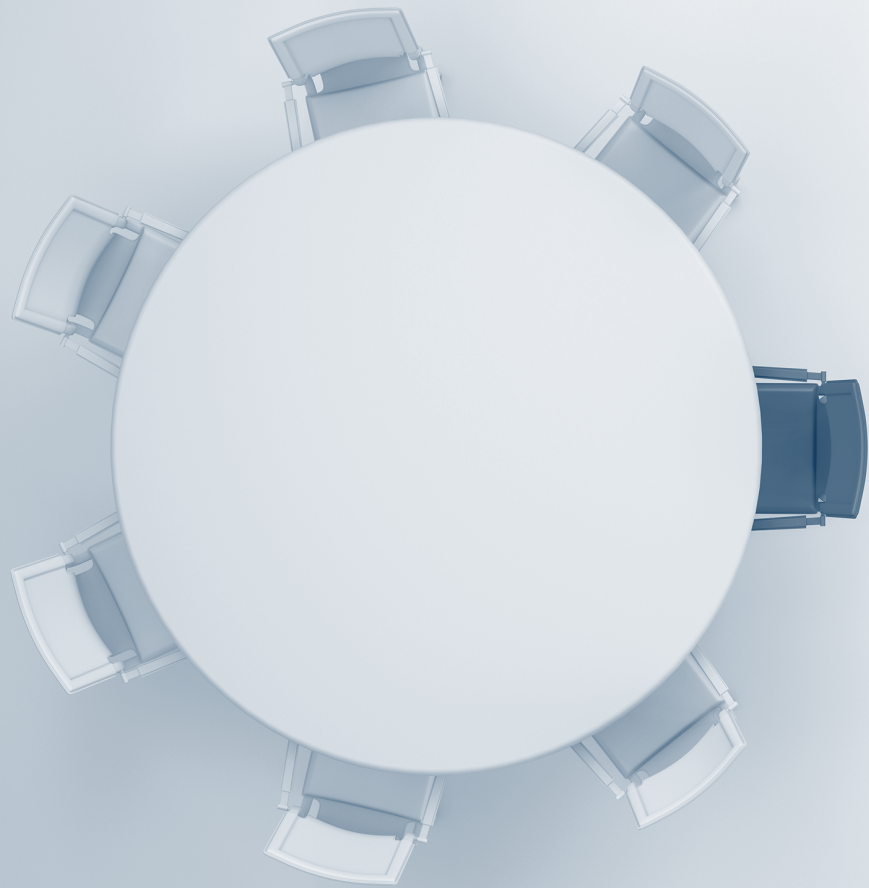


Welcome & Introduction

Channa Wijesinghe FCA, FCPA
APESB CEO
IESBA Vice Chair

APESB & XRB Roundtable - Agenda

10.00 am	1	Welcome & Introduction
10.05 am	2	Overview of IESBA Survey on Restructured Code
10.15 am	3	Overview of IESBA Survey on NOCLAR
10.25 am	4	Roundtable discussions
11.05 am	5	Break
11.15 am	6	Feedback Session
11.50 am	7	Summary, way forward and closing remarks
12.00 pm	8	Close



Overview of IESBA Survey on Restructured Code

Misha Pieters CA
XRB Director, Auditing and Assurance
IAASB Technical Advisor

Restructured Code PIR Survey

STRUCTURE AND DRAFTING OF THE CODE

Respondents
that use 2018
or later IESBA
Code

*Part 5 outside scope

- To determine:
 - Whether restructuring of the Code has achieved intended purpose by identifying **benefits** and **any practical challenges or questions** regarding implementation; and
 - What actions need to address identified matters
- Survey is linked to an overview of the structure and drafting enhancements



Restructured Code Survey

USABILITY AND CLARITY OF LANGUAGE AND RESPONSIBILITY

Building-blocks approach

Guide to the IESBA Code

Responsibility to comply with fundamental principles and apply conceptual framework

Requirement versus application paragraphs

Public Interest Entities (PIE) vs Non-PIE

Language clear, readable and understandable

Translatability

Other comments

Building blocks approach

PART 1

Complying with the Code, Fundamental Principles and Conceptual Framework

(Sections 100 to 199)

(All Professional Accountants)

PART 2

Professional Accountants in Business

(Sections 200 to 299)

(Part 2 is also applicable to individual Professional Accountants in Public Practice when performing professional activities pursuant to their relationship with the firm)

PART 3

Professional Accountants in Public Practice

(Sections 300 to 399)

PARTS 4A & 4B

International Independence Standards

Part 4A—Independence for Audits & Reviews

(Sections 400 to 899)

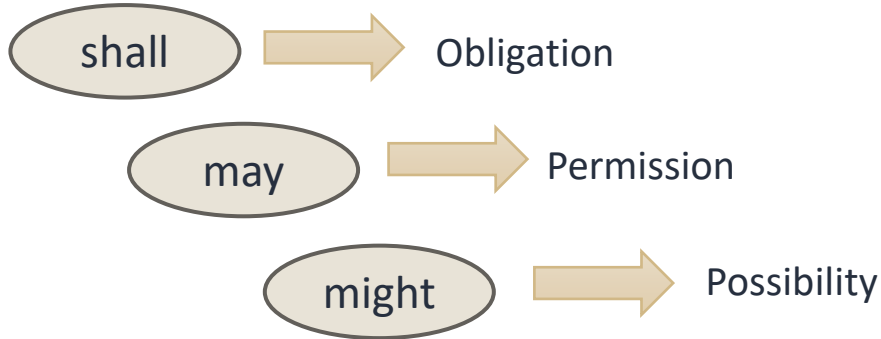
Part 4B—Independence for Assurance Engagements Other than Audit & Review Engagements

(Sections 900 to 999)

GLOSSARY

Guide to the Code

- Placed at the beginning of the Code
- Assists in navigating the Code
- Outlines the structure of the Code
- Explains drafting convention and terminology



Fundamental principles and conceptual framework

Fundamental principles:

Integrity

Objectivity

Confidentiality

Professional Competence and Due Care

Professional Behaviour

Independence

Threats and safeguards approach:

- identify threats:

- Self-interest threat
- Self-review threat
- Advocacy threat
- Familiarity threat
- Intimidation threat

- apply safeguards to reduce the threats to an acceptable level

Requirements and application paragraphs

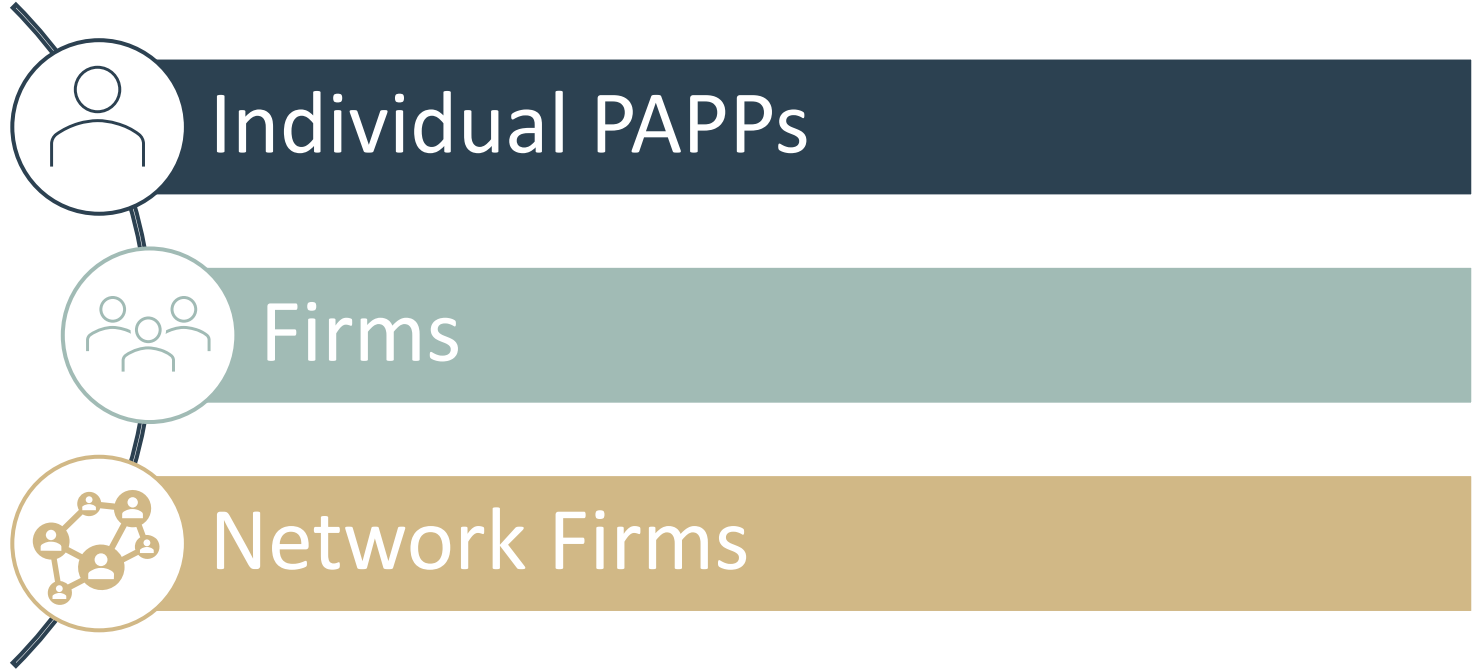
Requirements

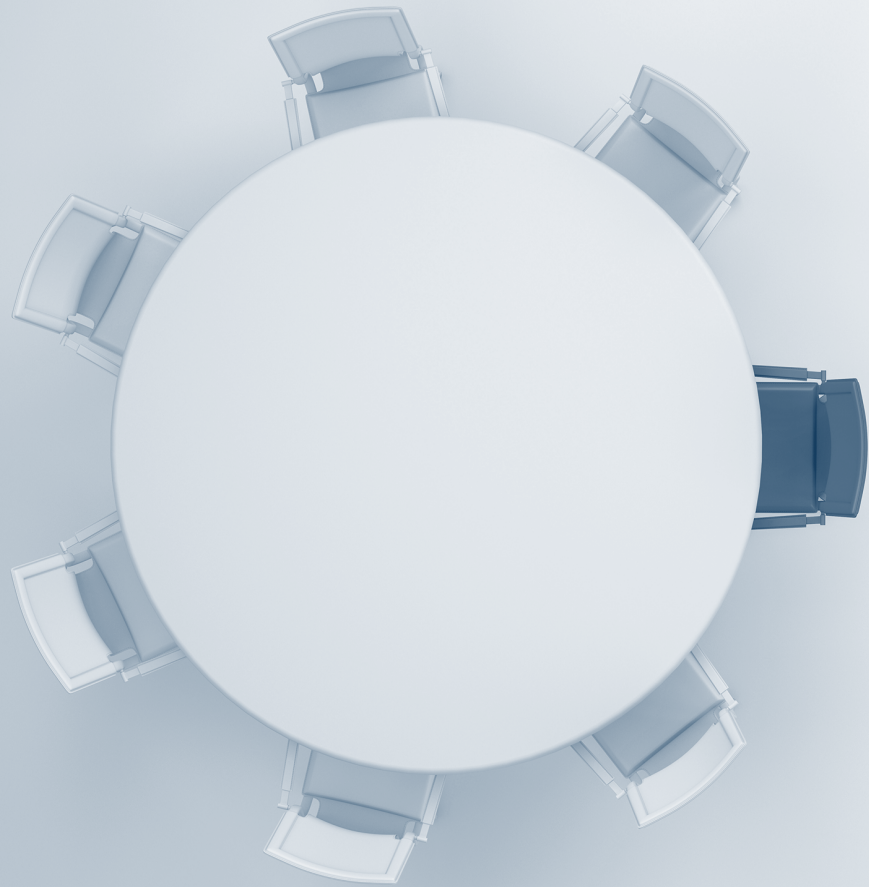
- designated with the letter “R”
- Impose an obligation

Application material

- provides context
- necessary to the proper application of the requirements

Independence responsibilities





Overview of IESBA Survey on NOCLAR

Channa Wijesinghe FCA, FCPA
APESB CEO
IESBA Vice Chair

NOCLAR PIR Survey

Respondents
that have
adopted or
use NOCLAR
provisions*

*IESSA outside scope

- To determine:
 - Whether NOCLAR provisions achieved intended purpose by identifying **benefits** and **practical challenges or questions** regarding implementation; and
 - What actions need to address identified matters
- Information to be submitted on an anonymized basis, however confidential matters can be discussed with IESBA PIR Project Team
- Survey is linked to an overview and explanation of how to apply the NOCLAR provisions

Background to NOCLAR

- **Public interest considerations**

- Regulatory and enforcement authorities concerns since 2007
- Auditors resigning due to identified or suspected NOCLAR without addressing issues
- A lack of guidance in the Code about the **thought process** and **relevant factors** to consider
- Based on IESBA's global standard which was developed over 6 years

Definition of NOCLAR

*Any act of omission or commission, intentional or unintentional, committed by **a client or employer**, or by **TCWG, management or other individuals** working for or under the **direction of a client**, or the **employing organisation** which are **contrary to the prevailing laws or regulations**.*

Scope of NOCLAR

- **An act that causes substantial harm**
 - Involves serious **adverse consequences** to investors, creditors, employees, general public in **financial** or **non-financial terms**
 - Has wide **public interest** implications
 - Examples:
 - Financial fraud resulting in significant financial losses to investors
 - Breaches of environmental laws/regulations that endanger health and safety of employees or public

Scope of NOCLAR

- NOCLAR or suspected NOCLAR that can cause **substantial harm** relate to matters:
 - that have a **direct and material effect** on a client's or employer's financial statements
 - that are **fundamental** to an entity's business/operations or to avoid material penalties
- Excludes:
 - inconsequential matters
 - personal misconduct unrelated to business
 - Non-compliance not committed by a client or employer

Examples of laws and regulations

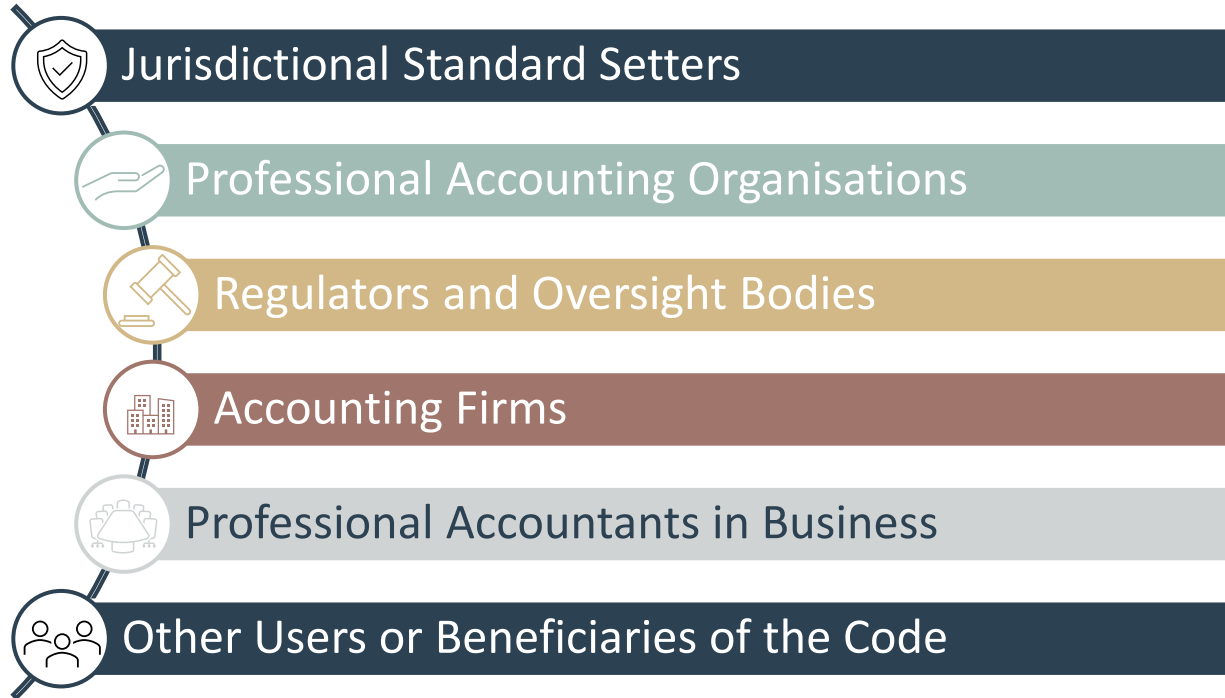
NOCLAR covers:

- Fraud/corruption/bribery
- Securities markets trading
- AML/CTF/proceeds of crime
- Banking/financial products & services
- Public health and safety
- Data protection
- Tax/pension liabilities
- Environmental protection
- Public health and safety



NOCLAR PIR Survey

STAKEHOLDER CATEGORIES



If firm is part of a global or regional network, the global or regional firm is asked to respond to the survey on behalf of the network

NOCLAR Survey

APPROACH

Organizations with multiple roles are asked to respond to all relevant sections of the survey

Respondents are encouraged to explain the basis for their response and provide supporting evidence where applicable

Questions are intentionally broad so as not to influence the response, and are not designed to target specific circumstances



Roundtable discussions

Channa Wijesinghe FCA, FCPA
APESB CEO and IESBA Vice Chair

Misha Pieters CA
XRB Director, Auditing and Assurance and IAASB Technical Advisor

Nikole Gyles FCA, FCPA
APESB Interim Technical Director

Group Questions – Restructured Code

Question 1 –

Is the building-blocks approach of the Code clear and does it help in navigating the Code?

Question 2 –

Is the guide to the Code helpful in explaining how the Code is structured and how should be applied?

Question 3 –

Is it clear in each section that professional accountant (or a firm) has to comply with the fundamental principles and apply conceptual framework?

Question 4 –

Does the approach to delineate requirements (“R” paragraphs) from application material (“A” paragraphs) make it clear what a professional accountant’s or firm’s obligations are?

Group Questions – Restructured Code (continued)

Question 5 –

Are responsibilities for the independence of individuals, firms and network firms clear and distinguished?

Question 6 –

Is the Code scalable and proportionate?

Question 7 –

Is the language used in the Code clear, readable and understandable?

Group Questions - NOCLAR

Question 2.1 – Guidance and Education Materials

The survey lists these areas of guidance or educational materials on the NOCLAR provisions:

- Technical guidance (e.g., FAQs)
- Education/training programs (e.g., webinars, CPD programs)
- Articles, publications or newsletters (e.g., updates about standards, case studies or illustrative examples)

What guidance or educational materials has your organization issued, or what programs has your organization developed, to support understanding of the NOCLAR provisions?

Group Questions – NOCLAR (continued)

Question 2.2 – Other Support

The survey lists these areas of support that Members may seek assistance in applying the NOCLAR provisions (e.g., in dealing with a NOCLAR or suspected NOCLAR):

- Ethics hotline or equivalent (e.g., for technical queries)
- Discussion forum (e.g., for sharing knowledge)
- Whistleblower hotline (e.g., to report actual or suspected NOCLAR)

Does your organization provide guidance to individual professional accountants, accounting firms, or other users of your standards in the application of the local NOCLAR provisions if they seek such assistance, e.g., in dealing with a NOCLAR matter?

Group Questions – NOCLAR (continued)

Question 2.3 – Inquiries and Questions

Which specific provisions in the local NOCLAR provisions has your organization commonly received inquiries or questions about?

Question 2.4 – Level of Understanding

Do users of your organization's standards have an overall understanding of the local NOCLAR provisions? If not, why not?

Group Questions – NOCLAR (continued)

Question 2.5 – Practical Experience (Benefits & Challenges)

- (a) Has the application of the NOCLAR provisions been helpful in guiding you or your firm in responding to a NOCLAR or suspected NOCLAR?
- (b) Which of the NOCLAR provisions have you or your firm found most challenging to apply when responding to a NOCLAR or suspected NOCLAR, and why?
- (c) Has your organization observed any trend in instances of NOCLAR reported or escalated?

Question 2.6 – Reporting mechanisms

What mechanisms are Members or Firms using to report NOCLAR, e.g. whistleblowing policies, reporting to supervisors, professional bodies or regulators?

Group Questions – NOCLAR (continued)

Question 2.7 – Impact of NOCLAR

Are you aware of any trend or instances where Members or Firms have encountered NOCLAR or suspected NOCLAR but did not apply the NOCLAR provisions in whole or in part? If yes, why was NOCLAR not fully or wholly applied?

Question 2.8 – Instances of NOCLAR

Do you think the NOCLAR provisions are effective in deterring NOCLAR, or rectifying, remediating or mitigating the consequences of NOCLAR? Or do you think instances of NOCLAR are increasing?

Group Questions – NOCLAR (continued)

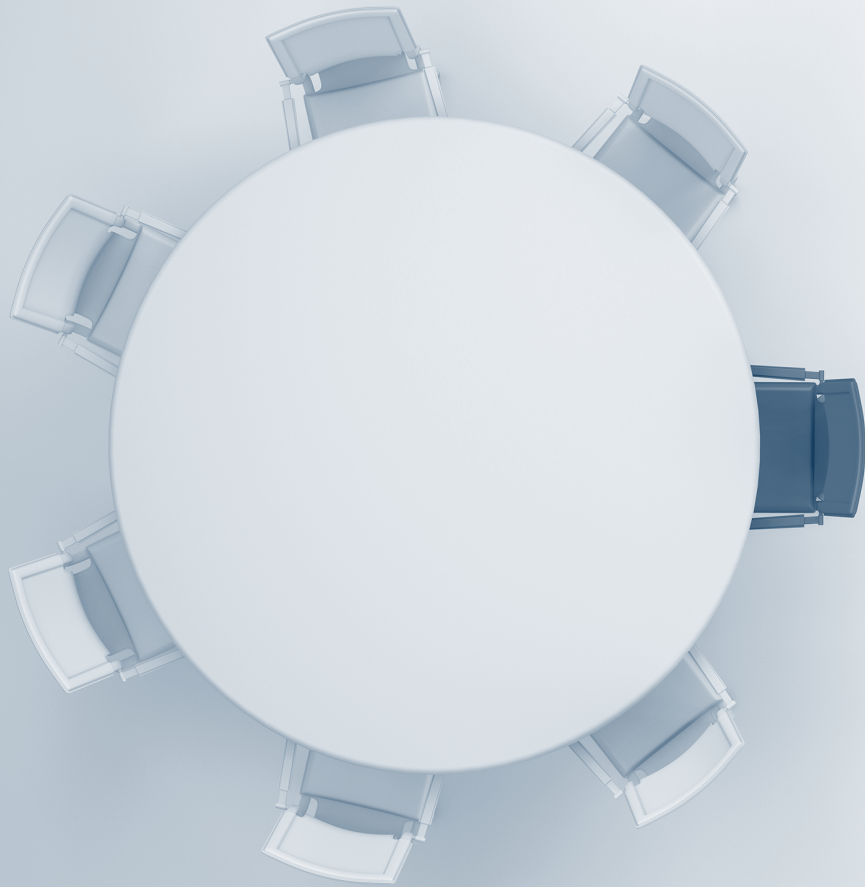
Question 2.9 – Other Comments

What further efforts should IESBA pursue to enhance the effectiveness of implementation of the IESBA NOCLAR provisions globally?

Are there any other comments or specific matters the IESBA should consider as part of this PIR on the IESBA NOCLAR provisions?

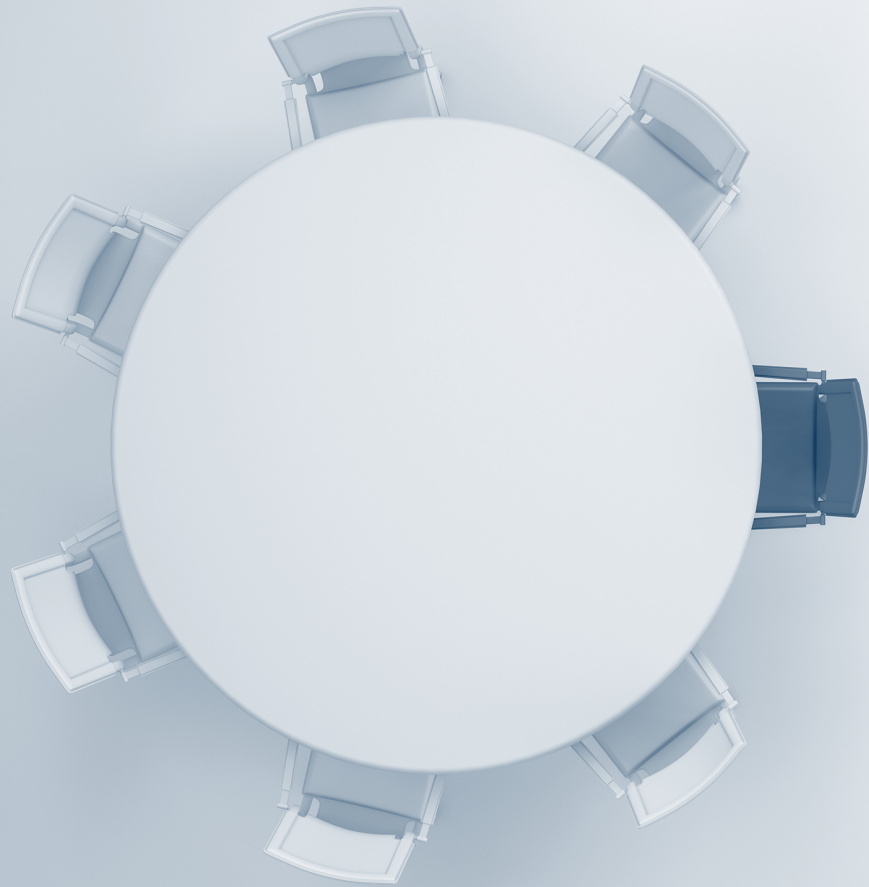


Break



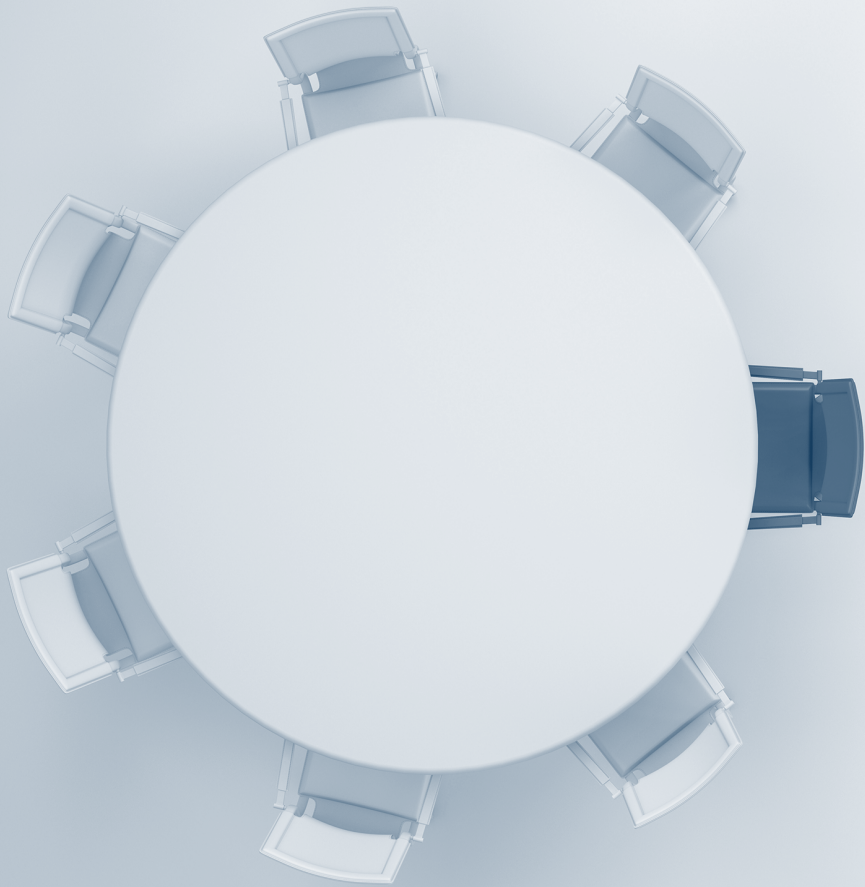
Feedback session

Group 1



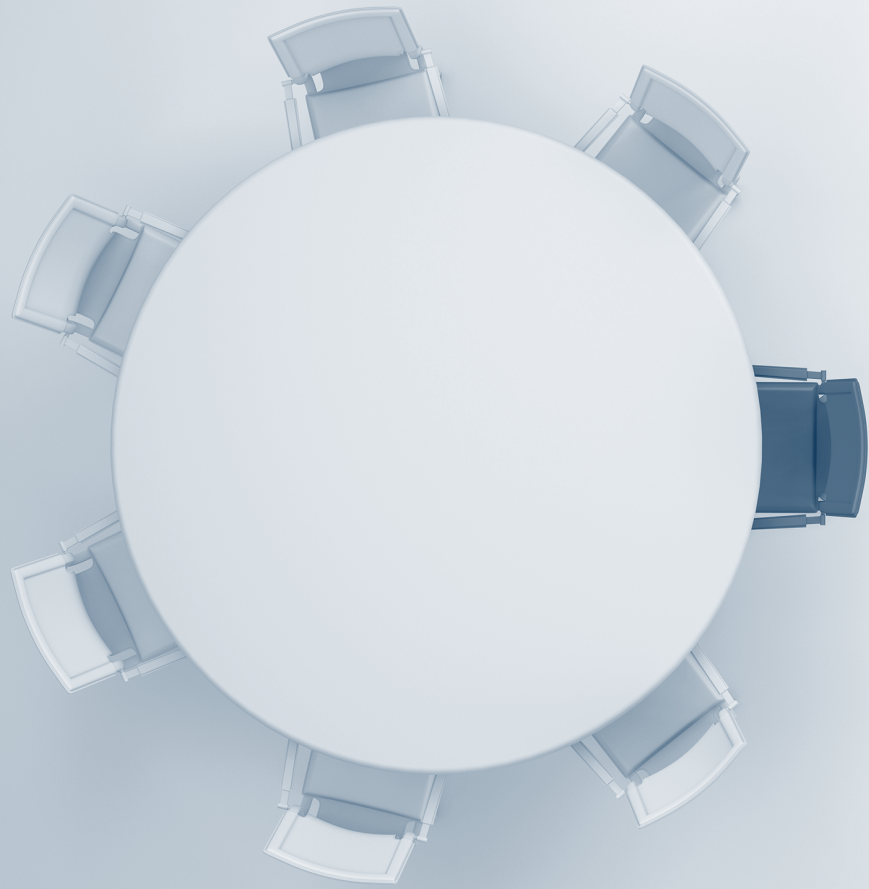
Feedback session

Group 2



Feedback session

Group 3



Summary & Way forward

Channa Wijesinghe FCA, FCPA
APESB CEO and IESBA Vice Chair

Next Steps and Proposed Timeline

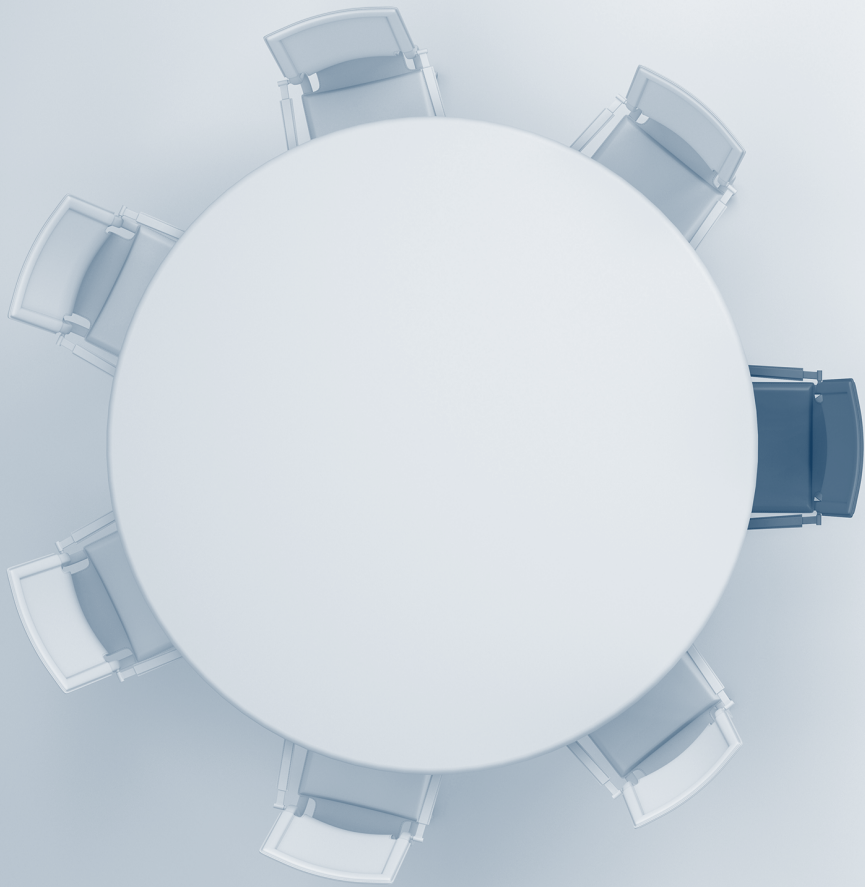
Comment Period
Restructured Code April 1st – July 3rd
NOCLAR April 1st – July 30th



Final Report with Recommendations

May include no further actions or one or more of the following:

- Further information gathering
- Standard-setting
- Development of NAMs or other initiatives



Contact details

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XRB

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APESB & XRB Roundtable – Closing Karakia

Kia hora te marino - *May peace be widespread*

Kia whakapapa pounamu te moana - *May the sea be like greenstone*

Hei huarahi mā tatou i te rangi - *A pathway for us all this day*

Aroha atu, aroha mai, tatou i a tatou katoa - *Let us show compassion and respect for each other*

Haumie, hui e, taiki e - *Unified, connected and blessed*

Purpose & Disclaimers

This set of PowerPoint slides has been developed by APESB and XRB Technical Staff using some of the resources developed by the IESBA Technical Staff relating to the PIRs of NOCLAR and the Restructured Code for the March 2026 IESBA meeting.

These slides provide only an *overview* of the proposals and do not purport to present all the detailed changes. The slides should be read in conjunction with the IESBA Surveys on the Restructured Code and NOCLAR.

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