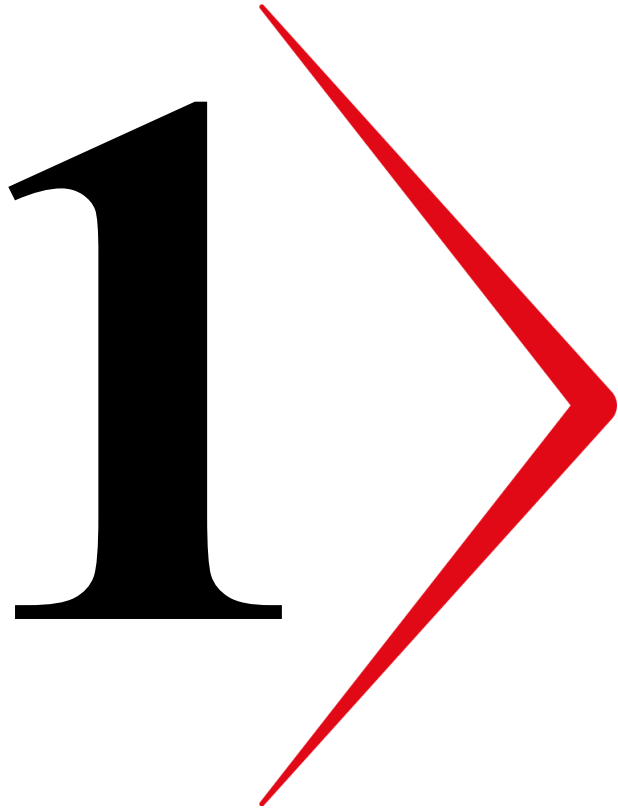




# *The revised ICAEW Code of Ethics*

FROM 1 JANUARY 2020

# *Key elements*



- Existing ICAEW Code
- 2018 IESBA Code – new style
- Fundamental requirements unchanged
- Some catch ups since 2009 IESBA
- ICAEW add-on material
- Support material

# *Existing ICAEW Code*



- Based on 2009 IESBA plus add-on material
- Last changed 1 January 2011
- Frequent IESBA tweaks
- New restyled IESBA Code 2018

# *New style*



- Easier navigation, understanding and application
- Smaller sections, more headings
- Rewritten with shorter sentences
- Distinguish requirements from application material
- New user guide included

# *New style - example*

## CUSTODY OF CLIENT ASSETS

### Introduction

- 350.1 Professional accountants are required to comply with the fundamental principles and apply the conceptual framework set out in [Section 120](#) to identify, evaluate and address threats.
- 350.2 Holding client assets creates a self-interest or other threat to compliance with the principles of professional behaviour and objectivity. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances.

### Requirements and Application Material

#### Before Taking Custody

- R350.3 A professional accountant shall not assume custody of client money or other assets unless permitted to do so by law and in accordance with any conditions under which such custody may be taken.**
- R350.4 As part of client and engagement acceptance procedures related to assuming custody of client money or assets, a professional accountant shall:**
- (a) Make inquiries about the source of the assets; and**
  - (b) Consider related legal and regulatory obligations.**
- 350.4 A1 Inquiries about the source of client assets might reveal, for example, that the assets were derived from illegal activities, such as money laundering. In such circumstances, a threat would be created and the provisions of [Section 360](#) would apply.

# *Fundamental requirements*



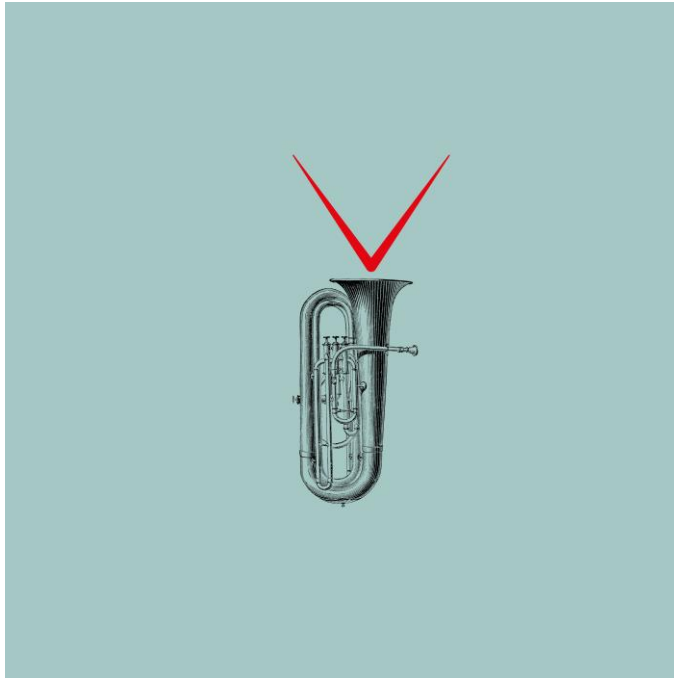
- No fundamental change
- Fundamental principles
- Threats and safeguards approach
- Gathered together in s120
- No intention to change specific requirements, except as below

# *Catch up on changes since 2009*



- No new ICAEW material
- IESBA updates – expanded discussion / stating what was implicit
  - Conflicts of interest
  - Professional accountants in business
  - Breaches of the code
  - Inducements
  - Scepticism
- IESBA updates – new to IESBA
  - Auditor independence changes
  - NOCLAR

# *Non-compliance with law or regulation*



- Raise suspicions internally
- Assess if dealt with properly
- Allows for who you are
  
- If not dealt with, consider disclosing outside if in the public interest
- Accountant's decision
- Not a breach of confidentiality
  
- Latter key requirement in ICAEW code already
- Defaults and unlawful acts guidance



# *ICAEW add-on material*



- B/f from pre-2006 GPE
- Opportunity to rationalise and focus
  
- Unnecessary repetition – removed
- Background discussion – to helpsheets
- Additional requirements - retained
  
- Footnotes at end of each section where helpsheets/other regulations are relevant

# *ICAEW support: new code*



- Cross-reference to/from old code
- Section by section key changes
- Key requirements by section
- One page summary
- NOCLAR helpsheet
- Updated help sheets and ongoing TES



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