(Established under the Chartered Accountants Ordinance, 1961 - X of 1961)

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ICAP

ASEB Circular No. 7/2026

May 11, 2026

**ALL MEMBERS OF THE INSTITUTE**

Dear Member,

**Exposure Draft of the Code of Ethics for Chartered Accountants (Revised 2025)**

The Institute's existing Code of Ethics for Chartered Accountants (Revised 2024) is based on the 2023 Edition of the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA) in September 2023, commonly referred to as the IESBA Code of Ethics. The latest Handbook of the IESBA Code of Ethics (2025 Edition) was issued in October 2025.

Compared to the 2023 Edition, the 2025 Edition introduces certain new requirements. The Auditing Standards and Ethics Board ("Board" or "ASEB") of the Institute has undertaken a detailed review of the 2025 Edition to propose adoption of the revised ethical requirements, while ensuring alignment with local statutory provisions under the Chartered Accountants Ordinance, 1961, and other applicable legal and regulatory frameworks.

**Key Changes in the IESBA Code (2025)**

The IESBA has introduced two new, dedicated sections to provide a clear ethical framework for professional accountants involved in tax planning:

- **New Section 280**: Addresses Tax Planning and Related Activities for Professional Accountants in Business.
- **New Section 380**: Addresses Tax Planning and Related Services for Professional Accountants in Public Practice, including consequential amendments to Section 321.

These sections establish a principles-based framework and a global ethical benchmark for tax planning. The fundamental objective is to promote ethical conduct in tax planning and thereby enhance public trust. Certain other changes, including those relating to the use of the work of an external expert, have also been approved; however, these are not yet effective and are therefore not proposed for adoption at this stage.

A summary of the key features of the above revisions is provided in **Annexure A** to this Circular.

The Board has prepared the Comparison of ICAP Code of Ethics (Revised 2024) and IESBA Code of Ethics (2025) to identify the changes, which is enclosed as **Annexure B** to this Circular. Members are requested to review and submit their comments to the Board's email address at aseb@icap.org.pk latest by May 26, 2026.

Yours truly,

**Muhammad Imran Khan**
Director, Technical Services

Encl: As above

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***Annexure A***

**Overview of Key Revisions to the Code of Ethics (2025 Edition)**

**Tax Planning and Related Services**

- Clear description of tax planning and related services.
- Responsibilities of professional accountants, management and those charged with governance in relation to tax planning.
- Professional accountants' responsibilities in identifying and addressing areas of uncertainty.
- Clarification when a disagreement arises between professional accountants and employer/client.
- Professional accountants are required to stand back and consider the broader reputational, commercial, and economic consequences of the tax arrangement from the perspective of a skeptical third party.
- When performing a tax planning activity, a professional accountant is encouraged to document the activity on a timely basis.

**Annexure B**

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 100.1 | A distinguishing mark of the accountancy profession is its acceptance of the responsibility to act in the public interest. | A distinguishing mark of the accountancy profession is its acceptance of the responsibility to act in the public interest. | No Change |
| 100.2 | Confidence in the accountancy profession is a reason why businesses, governments and other organizations involve professional accountants in a broad range of areas, including financial and corporate reporting, assurance and other professional activities. Accountants understand and acknowledge that such confidence is based on the skills and values that accountants bring to the professional activities they undertake, including:<br>(a) Adherence to ethical principles and professional standards;<br>(b) Use of business acumen;<br>(c) Application of expertise on technical and other matters; and<br>(d) Exercise of professional judgment. The application of these skills and values enables accountants to provide advice or other output that meets the purpose for which it was provided, and which can be relied upon by the intended users of such output. | Confidence in the accountancy profession is a reason why businesses, governments and other organizations involve chartered accountants in a broad range of areas, including financial and corporate reporting, assurance and other professional activities. Accountants understand and acknowledge that such confidence is based on the skills and values that accountants bring to the professional activities they undertake, including:<br>(a) Adherence to ethical principles and professional standards;<br>(b) Use of business acumen;<br>(c) Application of expertise on technical and other matters; and<br>(d) Exercise of professional judgment. The application of these skills and values enables accountants to provide advice or other output that meets the purpose for which it was provided, and which can be relied upon by the intended users of such output | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 100.3 | The Code sets out high quality standards of ethical behavior expected of professional accountants for adoption by professional accountancy organizations which are members of the International Federation of Accountants (IFAC), or for use by such members as a basis for their codes of ethics. The Code may also be used or adopted by those responsible for setting ethics standards for professional accountants in particular sectors or jurisdictions and by firms in developing their ethics and independence policies. | The Code sets out high quality standards of ethical behavior expected of chartered accountants for adoption by professional accountancy organizations which are members of the International Federation of Accountants (IFAC), or for use by such members as a basis for their codes of ethics. The Code may also be used or adopted by those responsible for setting ethics standards for chartered accountants in particular sectors or jurisdictions and by firms in developing their ethics and independence policies | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 100.4 | The Code establishes five fundamental principles to be complied with by all professional accountants. It also includes a conceptual framework that sets out the approach to be taken to identify, evaluate and address threats to compliance with those fundamental principles and, for audits and other assurance engagements, threats to independence. The Code also applies the fundamental principles and the conceptual framework to a range of facts and circumstances that accountants might encounter, whether in business or in public practice. | The Code establishes five fundamental principles to be complied with by all chartered accountants. It also includes a conceptual framework that sets out the approach to be taken to identify, evaluate and address threats to compliance with those fundamental principles and, for audits and other assurance engagements, threats to independence. The Code also applies the fundamental principles and the conceptual framework to a range of facts and circumstances that accountants might encounter, whether in business or in practice. | Terminology differs: 'chartered accountant' vs 'professional accountant'"<br><br>Public word missing in ICAP |

**Annexure B**

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| 100.5 A1 | The requirements in the Code, designated with the letter "R," impose obligations. | The requirements in the Code, designated with the letter "R," impose obligations. | No Change |
| 100.5 A2 | Application material, designated with the letter "A," provides context, explanations, suggestions for actions or matters to consider, illustrations and other guidance relevant to a proper understanding of the Code. In particular, the application material is intended to help a professional accountant to understand how to apply the conceptual framework to a particular set of circumstances and to understand and comply with a specific requirement. While such application material does not of itself impose a requirement, consideration of the material is necessary to the proper application of the requirements of the Code, including application of the conceptual framework. | Application material, designated with the letter "A," provides context, explanations, suggestions for actions or matters to consider, illustrations and other guidance relevant to a proper understanding of the Code. In particular, the application material is intended to help a chartered accountant to understand how to apply the conceptual framework to a particular set of circumstances and to understand and comply with a specific requirement. While such application material does not of itself impose a requirement, consideration of the material is necessary to the proper application of the requirements of the Code, including application of the conceptual framework. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R100.6 | A professional accountant shall comply with the Code. | A chartered accountant shall comply with the Code. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 100.6 A1 | Upholding the fundamental principles and compliance with the specific requirements of the Code enable professional accountants to meet their responsibility to act in the public interest. | Upholding the fundamental principles and compliance with the specific requirements of the Code enable chartered accountants to meet their responsibility to act in the public interest. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 100.6 A2 | Complying with the Code includes giving appropriate regard to the aim and intent of the specific requirements. | Complying with the Code includes giving appropriate regard to the aim and intent of the specific requirements. | No change |
| 100.6 A3 | Compliance with the requirements of the Code does not mean that professional accountants will have always met their responsibility to act in the public interest. There might be unusual or exceptional circumstances in which an accountant believes that complying with a requirement or requirements of the Code might not be in the public interest or would lead to a disproportionate outcome. In those circumstances, the accountant is encouraged to consult with an appropriate body such as a professional or regulatory body. | Compliance with the requirements of the Code does not mean that chartered accountants will have always met their responsibility to act in the public interest. There might be unusual or exceptional circumstances in which an accountant believes that complying with a requirement or requirements of the Code might not be in the public interest or would lead to a disproportionate outcome. In those circumstances, the accountant is encouraged to consult with an appropriate body such as a professional or regulatory body. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 100.6 A4 | In acting in the public interest, a professional accountant considers not only the | In acting in the public interest, a chartered accountant considers not only the preferences or | Terminology differs: 'chartered |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| | preferences or requirements of an individual client or employing organization, but also the interests of other stakeholders when performing professional activities. | requirements of an individual client or employing organization, but also the interests of other stakeholders when performing professional activities. | accountant' vs 'professional accountant'" |
| R100.7 | If there are circumstances where laws or regulations preclude a professional accountant from complying with certain parts of the Code, those laws and regulations prevail, and the accountant shall comply with all other parts of the Code. | If there are circumstances where laws or regulations preclude a chartered accountant from complying with certain parts of the Code, those laws and regulations prevail, and the accountant shall comply with all other parts of the Code. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 100.7 A1 | The principle of professional behavior requires a professional accountant to comply with relevant laws and regulations. Some jurisdictions might have provisions that differ from or go beyond those set out in the Code. Accountants in those jurisdictions need to be aware of those differences and comply with the more stringent provisions unless prohibited by law or regulation. | The principle of professional behavior requires a chartered accountant to comply with relevant laws and regulations. Some jurisdictions might have provisions that differ from or go beyond those set out in the Code. Accountants in those jurisdictions need to be aware of those differences and comply with the more stringent provisions unless prohibited by law or regulation. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R100.8 | Paragraphs R400.80 to R400.89 and R900.50 to R900.55 address a breach of International Independence Standards. A professional accountant who identifies a breach of any other provision of the Code shall evaluate the significance of the breach and its impact on the accountant's ability to comply with the fundamental principles. The accountant shall also: (a) Take whatever actions might be available, as soon as possible, to address the consequences of the breach satisfactorily; and (b) Determine whether to report the breach to the relevant parties. | Paragraphs R400.80 to R400.89 and R900.50 to R900.55 address a breach of International Independence Standards. A chartered accountant who identifies a breach of any other provision of the Code shall evaluate the significance of the breach and its impact on the accountant's ability to comply with the fundamental principles. The accountant shall also: (a) Take whatever actions might be available, as soon as possible, to address the consequences of the breach satisfactorily; and (b) Determine whether to report the breach to the relevant parties. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 100.8 A1 | Relevant parties to whom such a breach might be reported include those who might have been affected by it, a professional or regulatory body or an oversight authority. | Relevant parties to whom such a breach might be reported include those who might have been affected by it, a professional or regulatory body or an oversight authority. | No Changes |
| 110.1 A1 | There are five fundamental principles of ethics for professional accountants:<br>(a) Integrity – to be straightforward and honest in all professional and business relationships.<br>(b) Objectivity – to exercise professional or business judgment without being compromised by:<br>(i) Bias;<br>(ii) Conflict of interest; or<br>(iii) Undue influence of, or undue reliance on, individuals, organizations, technology or other factors. | There are five fundamental principles of ethics for chartered accountants:<br>(a) Integrity – to be straightforward and honest in all professional and business relationships.<br>(b) Objectivity – to exercise professional or business judgment without being compromised by:<br>(i) Bias;<br>(ii) Conflict of interest; or<br>(iii) Undue influence of, or undue reliance on, individuals, organizations, technology or other factors.<br>(c) Professional Competence and Due Care – to: | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| | (c) Professional Competence and Due Care – to:<br>(i) Attain and maintain professional knowledge and skill at the level required to ensure that a client or employing organization receives competent professional service, based on current technical and professional standards and relevant legislation; and<br>(ii) Act diligently and in accordance with applicable technical and professional standards.<br>(d) Confidentiality – to respect the confidentiality of information acquired as a result of professional and business relationships.<br>(e) Professional Behavior – to:<br>(i) Comply with relevant laws and regulations; (ii) Behave in a manner consistent with the profession's responsibility to act in the public interest in all professional activities and business relationships; and<br>(iii) Avoid any conduct that the professional accountant knows or should know might discredit the profession. | (i) Attain and maintain professional knowledge and skill at the level required to ensure that a client or employing organization receives competent professional service, based on current technical and professional standards and relevant legislation; and<br>(ii) Act diligently and in accordance with applicable technical and professional standards.<br>(d) Confidentiality – to respect the confidentiality of information acquired as a result of professional and business relationships.<br>(e) Professional Behavior – to:<br>(i) Comply with relevant laws and regulations;<br>(ii) Behave in a manner consistent with the profession's responsibility to act in the public interest in all professional activities and business relationships; and<br>(iii) Avoid any conduct that the chartered accountant knows or should know might discredit the profession. | |
| R110.2 | A professional accountant shall comply with each of the fundamental principles. | A chartered accountant shall comply with each of the fundamental principles. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 110.2 A1 | The fundamental principles of ethics establish the standard of behavior expected of a professional accountant. The conceptual framework establishes the approach which an accountant is required to apply in complying with those fundamental principles. Subsections 111 to 115 set out requirements and application material related to each of the fundamental principles. | The fundamental principles of ethics establish the standard of behavior expected of a chartered accountant. The conceptual framework establishes the approach which an accountant is required to apply in complying with those fundamental principles. Subsections 111 to 115 set out requirements and application material related to each of the fundamental principles. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 110.2 A2 | A professional accountant might face a situation in which complying with one fundamental principle conflicts with complying with one or more other fundamental principles. In such a situation, the accountant might consider consulting, on an anonymous basis if necessary, with: • Others within the firm or employing organization. • Those charged with governance. • A professional body. • A regulatory body. • Legal counsel. However, such consultation does not relieve the | A chartered accountant might face a situation in which complying with one fundamental principle conflicts with complying with one or more other fundamental principles. In such a situation, the accountant might consider consulting, on an anonymous basis, if necessary, with: • Others within the firm or employing organization. • Those charged with governance. • A professional body. • A regulatory body. • Legal counsel. However, such consultation does not relieve the accountant from the responsibility to exercise professional judgment to resolve the conflict or, if necessary, and unless | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| | accountant from the responsibility to exercise professional judgment to resolve the conflict or, if necessary, and unless prohibited by law or regulation, disassociate from the matter creating the conflict. | prohibited by law or regulation, disassociate from the matter creating the conflict. | |
| 110.2 A3 | The professional accountant is encouraged to document the substance of the issue, the details of any discussions, the decisions made and the rationale for those decisions. | The chartered accountant is encouraged to document the substance of the issue, the details of any discussions, the decisions made and the rationale for those decisions. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R111.1 | A professional accountant shall comply with the principle of integrity, which requires an accountant to be straightforward and honest in all professional and business relationships. | A chartered accountant shall comply with the principle of integrity, which requires an accountant to be straightforward and honest in all professional and business relationships. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 111.1 A1 | Integrity involves fair dealing, truthfulness and having the strength of character to act appropriately, even when facing pressure to do otherwise or when doing so might create potential adverse personal or organizational consequences. | Integrity involves fair dealing, truthfulness and having the strength of character to act appropriately, even when facing pressure to do otherwise or when doing so might create potential adverse personal or organizational consequences. | No Changes |
| 111.1 A2 | Acting appropriately involves: (a) Standing one's ground when confronted by dilemmas and difficult situations; or (b) Challenging others as and when circumstances warrant, in a manner appropriate to the circumstances. | Acting appropriately involves: (a) Standing one's ground when confronted by dilemmas and difficult situations; or (b) Challenging others as and when circumstances warrant, in a manner appropriate to the circumstances. | No Changes |
| R111.2 | A professional accountant shall not knowingly be associated with reports, returns, communications or other information where the accountant believes that the information: (a) Contains a materially false or misleading statement; (b) Contains statements or information provided recklessly; or (c) Omits or obscures required information where such omission or obscurity would be misleading. | A chartered accountant shall not knowingly be associated with reports, returns, communications or other information where the accountant believes that the information: (a) Contains a materially false or misleading statement; (b) Contains statements or information provided recklessly; or (c) Omits or obscures required information where such omission or obscurity would be misleading. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 111.2 A1 | If a professional accountant provides a modified report in respect of such a report, return, communication or other information, the accountant is not in breach of paragraph R111.2. | If a chartered accountant provides a modified report in respect of such a report, return, communication or other information, the accountant is not in breach of paragraph R111.2. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R111.3 | When a professional accountant becomes aware of having been associated with information described in paragraph R111.2, the accountant shall take steps to be disassociated from that information. | When a chartered accountant becomes aware of having been associated with information described in paragraph R111.2, the accountant shall take steps to be disassociated from that information. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

**Annexure B**

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| R112.1 | A professional accountant shall comply with the principle of objectivity, which requires an accountant to exercise professional or business judgment without being compromised by: (a) Bias; (b) Conflict of interest; or (c) Undue influence of, or undue reliance on, individuals, organizations, technology or other factors. | A Chartered accountant shall comply with the principle of objectivity, which requires an accountant to exercise professional or business judgment without being compromised by: (a) Bias; (b) Conflict of interest; or (c) Undue influence of, or undue reliance on, individuals, organizations, technology or other factors. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R112.2 | A professional accountant shall not undertake a professional activity if a circumstance or relationship unduly influences the accountant's professional judgment regarding that activity. | A Chartered accountant shall not undertake a professional activity if a circumstance or relationship unduly influences the accountant's professional judgment regarding that activity. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R113.1 | A professional accountant shall comply with the principle of professional competence and due care, which requires an accountant to: (a) Attain and maintain professional knowledge and skills at the level required to ensure that a client or employing organization receives competent professional service, based on current technical and professional standards and relevant legislation; and (b) Act diligently and in accordance with applicable technical and professional standards. | A chartered accountant shall comply with the principle of professional competence and due care, which requires an accountant to: (a) Attain and maintain professional knowledge and skills at the level required to ensure that a client or employing organization receives competent professional service, based on current technical and professional standards and relevant legislation; and (b) Act diligently and in accordance with applicable technical and professional standards. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 113.1 A1 | Serving clients and employing organizations with professional competence involves the exercise of sound judgment in applying professional knowledge and skills. | Serving clients and employing organizations with professional competence requires the exercise of sound judgment in applying professional knowledge and skill when undertaking professional activities. | Slight change in wording |
| 113.1 A2 | The knowledge and skills necessary for a professional activity vary depending on the nature of the activity being undertaken. For example, in addition to the application of any technical knowledge relevant to the professional activity, interpersonal, communication and organizational skills facilitate the professional accountant's interaction with entities and individuals with whom the accountant interacts. | The knowledge and skills necessary for a professional activity vary depending on the nature of the activity being undertaken. For example, in addition to the application of any technical knowledge relevant to the professional activity, interpersonal, communication and organizational skills facilitate the chartered accountant's interaction with entities and individuals with whom the accountant interacts. | Covered under "Changes to the Code" section |
| 113.1 A3 | Maintaining professional competence requires a professional accountant to have a continuing awareness and understanding of technical, professional, business and technology-related developments relevant to the professional activities undertaken by the accountant. Continuing professional development enables an accountant to develop and maintain the capabilities to perform competently within the professional environment. | Maintaining professional competence requires a continuing awareness and an understanding of relevant technical, professional, business and technology-related developments. Continuing professional development enables a chartered accountant to develop and maintain the capabilities to perform competently within the professional environment. | ICAP reference is 113.1 A2<br><br>Changes covered under "Changes to the Code" section |

**Annexure B**

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| 113.1 A4 | Diligence encompasses the responsibility to act in accordance with the requirements of an assignment, carefully, thoroughly and on a timely basis. | Diligence encompasses the responsibility to act in accordance with the requirements of an assignment, carefully, thoroughly and on a timely basis. | Covered under "Changes to the Code" section |
| R113.2 | In complying with the principle of professional competence and due care, a professional accountant shall take reasonable steps to ensure that those working in a professional capacity under the accountant's authority have appropriate training and supervision. | In complying with the principle of professional competence and due care, a chartered accountant shall take reasonable steps to ensure that those working in a professional capacity under the accountant's authority have appropriate training and supervision. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R113.3 | Where appropriate, a professional accountant shall make clients, the employing organization, or other users of the accountant's professional activities, aware of the limitations inherent in the activities and explain the implications of those limitations. | Where appropriate, a chartered accountant shall make clients, the employing organization, or other users of the accountant's professional services or activities, aware of the limitations inherent in the services or activities. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R114.1 | A professional accountant shall comply with the principle of confidentiality, which requires an accountant to respect the confidentiality of information acquired in the course of professional and business relationships. An accountant shall: (a) Be alert to the possibility of inadvertent disclosure, including in a social environment, and particularly to a close business associate or an immediate or a close family member; (b) Maintain confidentiality of information within the firm or employing organization; (c) Maintain confidentiality of information disclosed by a prospective client or employing organization; and (d) Take reasonable steps to ensure that personnel under the accountant's control, and individuals from whom advice and assistance are obtained, comply with the accountant's duty of confidentiality. | A chartered accountant shall comply with the principle of confidentiality, which requires an accountant to respect the confidentiality of information acquired as a result of professional and business relationships. An accountant shall: (a) Be alert to the possibility of inadvertent disclosure, including in a social environment, and particularly to a close business associate or an immediate or a close family member; (b) Maintain confidentiality of information within the firm or employing organization; (c) Maintain confidentiality of information disclosed by a prospective client or employing organization; (d) Not disclose confidential information acquired as a result of professional and business relationships outside the firm or employing organization without proper and specific authority, unless there is a legal or professional duty or right to disclose; (e) Not use confidential information acquired as a result of professional and business relationships for the personal advantage of the accountant or for the advantage of a third party; (f) Not use or disclose any confidential information, either acquired or received as a result of a professional or business relationship, after that relationship has ended; and (g) Take reasonable steps to ensure that personnel under the accountant's control, and individuals from whom advice and assistance are obtained, respect the accountant's duty of confidentiality. | Difference in point D and point e, f and g is not present. |
| 114.1 A1 | Maintaining the confidentiality of information acquired in the course of professional and business relationships involves the professional accountant taking appropriate | Confidentiality serves the public interest because it facilitates the free flow of information from the chartered accountant's client or employing | Reference issue. ICAP Code point is covered under IESBA114.3 A1 |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| | action to protect the confidentiality of such information in the course of its collection, use, transfer, storage or retention, dissemination and lawful destruction. | organization to the accountant in the knowledge that the information will<br>not be disclosed to a third party. Nevertheless, the following are circumstances where chartered accountants are or might be required to disclose confidential information or when such disclosure might be appropriate: (a) Disclosure is required by law, for example: (i) Production of documents or other provision of evidence in the course of legal proceedings; or<br>(ii) Disclosure to the appropriate public authorities of infringements of the law that come to light; (b) Disclosure is permitted by law and is authorized by the client or the employing organization; and (c) There is a professional duty or right to disclose, when not prohibited by law: (i) To comply with the quality review of a professional body; (ii) To respond to an inquiry or investigation by a professional or regulatory body;<br>(iii) To protect the professional interests of a chartered<br>accountant in legal proceedings; or (iv) To comply with technical and professional standards, including ethics requirements. | IESBA Section not in ICAP |
| 114.1 A2 | Not Present | In deciding whether to disclose confidential information, factors to consider, depending on the circumstances, include: • Whether the interests of any parties, including third parties whose interests might be affected, could be harmed if the client or employing organization consents to the disclosure of information by the chartered accountant. • Whether all the relevant information is known and substantiated, to the extent practicable. Factors affecting the decision to disclose include: o Unsubstantiated facts. o Incomplete information. o Unsubstantiated conclusions. • The proposed type of communication, and to whom it is addressed. Whether the parties to whom the communication is addressed are appropriate recipients. | Reference issue. ICAP Code point is covered under IESBA114.3 A2 |
| R114.2 | Subject to paragraph R114.3, a professional accountant shall not: (a) Disclose confidential information acquired in the course of professional and business relationships; (b) Use confidential information acquired in the course of professional and business relationships for the advantage of the accountant, the firm, the employing organization or a third party; (c) Use or disclose any confidential information, either acquired or received in the course of a professional or business relationship, after that relationship has ended; and (d) Use or disclose information in respect of which the duty of confidentiality | Subject to paragraph R114.3, a chartered accountant shall not: (a) Disclose confidential information acquired in the course of professional and business relationships; (b) Use confidential information acquired in the course of professional and business relationships for the advantage of the accountant, the firm, the employing organization or a third party; (c) Use or disclose any confidential information, either acquired or received in the course of a professional or business relationship, after that relationship has ended; and (d) Use or disclose information in respect of which the duty of confidentiality applies notwithstanding that the information has become publicly available, whether properly or improperly | Covered under ““Changes to the Code” section |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| | applies notwithstanding that the information has become publicly available, whether properly or improperly. | | |
| R114.3 | As an exception to paragraph R114.2, a professional accountant may disclose or use confidential information where: (a) There is a legal or professional duty or right to do so; or (b) This is authorized by the client or any person with the authority to permit disclosure or use of the confidential information and this is not prohibited by law or regulation. | As an exception to paragraph R114.2, a chartered accountant may disclose or use confidential information where: (a) There is a legal or professional duty or right to do so; or (b) This is authorized by the client or any person with the authority to permit disclosure or use of the confidential information and this is not prohibited by law or regulation. | "Changes to the Code" section |
| 114.3 A1 | Confidentiality serves the public interest because it facilitates the free flow of information from the professional accountant's client or employing organization to the accountant in the knowledge that the information will not be disclosed to a third party. Nevertheless, the following are circumstances where professional accountants might be required or have the duty or right to disclose confidential information: (a) Disclosure is required by law or regulation, for example: (i) Production of documents or other provision of evidence in the course of legal proceedings; or (ii) Disclosure to the appropriate public authorities of infringements of the law that come to light; and (b) There is a professional duty or right to disclose or use, when not prohibited by law or regulation: (i) To comply with the quality review of a professional body; (ii) To respond to an inquiry or investigation by a professional or regulatory body; (iii) To protect the professional interests of a professional accountant in legal proceedings; or (iv) To comply with technical and professional standards, including ethics requirements. | Confidentiality serves the public interest because it facilitates the free flow of information from the chartered accountant's client or employing organization to the accountant in the knowledge that the information will not be disclosed to a third party. Nevertheless, the following are circumstances where chartered accountants might be required or have the duty or right to disclose confidential information: (a) Disclosure is required by law or regulation, for example: (i) Production of documents or other provision of evidence in the course of legal proceedings; or (ii) Disclosure to the appropriate public authorities of infringements of the law that come to light; and (b) There is a professional duty or right to disclose or use, when not prohibited by law or regulation: (i) To comply with the quality review of a professional body; (ii) To respond to an inquiry or investigation by a professional or regulatory body; (iii) To protect the professional interests of a chartered accountant in legal proceedings; or (iv) To comply with technical and professional standards, including ethics requirements. | Reference issue. ICAP Code point is covered under 114.1 A1<br><br>"Changes to the Code" section |
| 114.3 A2 | In deciding whether to disclose or use confidential information, factors to consider, depending on the circumstances, include: • Whether the interests of any parties, including third parties whose interests might be affected, could be harmed if the client or employing organization authorizes the disclosure or use of information by the professional accountant. • Whether all the relevant information is known and substantiated, to the extent practicable. Factors affecting the decision to disclose or use the information include: o | In deciding whether to disclose or use confidential information, factors to consider, depending on the circumstances, include: • Whether the interests of any parties, including third parties whose interests might be affected, could be harmed if the client or employing organization authorizes the disclosure or use of information by the chartered accountant. • Whether all the relevant information is known and substantiated, to the extent practicable. Factors affecting the decision to disclose or use, the information, include: ○ Unsubstantiated facts. ○ Incomplete information. ○ Unsubstantiated conclusions. • The proposed means of | Reference issue. ICAP Code point is covered under 114.1 A2<br><br>"Changes to the Code" section |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | Unsubstantiated facts. o Incomplete information. o Unsubstantiated conclusions. • The proposed means of communicating the information. • Whether the parties to whom the information is to be provided or access is to be granted are appropriate recipients. • Any applicable law or regulation (including those governing privacy) in a jurisdiction where disclosure might take place and, if different, the jurisdiction where the confidential information originates | communicating, the information. • Whether the parties to whom the information is to be provided or access is to be granted are appropriate recipients. • Any applicable law or regulation (including those governing privacy) in a jurisdiction where disclosure might take place and, if different, the jurisdiction where the confidential information originates. | |
| 114.3 A3 | The circumstances in which a firm or employing organization seeks authorization to use or disclose confidential information, include where the information is to be used for training purposes, in the development of products or technology, in research or as source material for industry or other benchmarking data or studies. Such authorization might be general in its application (for example, in relation to use of the information for internal training purposes or quality enhancement initiatives). When obtaining the authorization of the individual or entity that provided such information for use in specific circumstances, relevant considerations to be communicated (preferably in writing) might include: • The nature of the information to be used or disclosed. • The purpose for which the information is to be used or disclosed (for example, technology development, research or benchmarking data or studies). • The individual or entity who will undertake the activity for which the information is to be used or disclosed. • Whether the identity of the individual or entity that provided such information or any individuals or entities to which such information relates will be identifiable from the output of the activity for which the information is to be used or disclosed. | The circumstances in which a firm or employing organization seeks authorization to use or disclose confidential information, include where the information is to be used for training purposes, in the development of products or technology, in research or as source material for industry or other benchmarking data or studies. Such authorization might be general in its application (for example, in relation to use of the information for internal training purposes or quality enhancement initiatives). When obtaining the authorization of the individual or entity that provided such information for use in specific circumstances, relevant considerations to be communicated (preferably in writing) might include: • The nature of the information to be used or disclosed. • The purpose for which the information is to be used or disclosed (for example, technology development, research or benchmarking data or studies). • The individual or entity who will undertake the activity for which the information is to be used or disclosed. • Whether the identity of the individual or entity that provided such information or any individuals or entities to which such information relates will be identifiable from the output of the activity for which the information is to be used or disclosed. | "Changes to the Code" section |
| R114.4 | A professional accountant shall continue to comply with the principle of confidentiality even after the end of the relationship between the accountant and a client or employing organization. When changing employment or acquiring a new client, the accountant is entitled to use prior experience but shall not use or disclose any confidential information acquired or received in the course of a professional or business relationship. | A chartered accountant shall continue to comply with the principle of confidentiality even after the end of the relationship between the accountant and a client or employing organization. When changing employment or acquiring a new client, the accountant is entitled to use prior experience but shall not use or disclose any confidential information acquired or received in the course of a professional or business relationship. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

**Annexure B**

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| R115.1 | A professional accountant shall comply with the principle of professional behavior, which requires an accountant to: (a) Comply with relevant laws and regulations; (b) Behave in a manner consistent with the profession's responsibility to act in the public interest in all professional activities and business relationships; and (c) Avoid any conduct that the accountant knows or should know might discredit the profession. A professional accountant shall not knowingly engage in any business, occupation or activity that impairs or might impair the integrity, objectivity or good reputation of the profession, and as a result would be incompatible with the fundamental principles. | A chartered accountant shall comply with the principle of professional behavior, which requires an accountant to: (a) Comply with relevant laws and regulations; (b) Behave in a manner consistent with the profession's responsibility to act in the public interest in all professional activities and business relationships; and (c) Avoid any conduct that the accountant knows or should know might discredit the profession. A chartered accountant shall not knowingly engage in any business, occupation or activity that impairs or might impair the integrity, objectivity or good reputation of the profession, and as a result would be incompatible with the fundamental principles. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 115.1 A1 | Conduct that might discredit the profession includes conduct that a reasonable and informed third party would be likely to conclude adversely affects the good reputation of the profession. | Conduct that might discredit the profession includes conduct that a reasonable and informed third party would be likely to conclude adversely affects the good reputation of the profession. | No Change |
| R115.2 | When undertaking marketing or promotional activities, a professional accountant shall not bring the profession into disrepute. A professional accountant shall be honest and truthful and shall not make: (a) Exaggerated claims for the services offered by, or the qualifications or experience of, the accountant; or (b) Disparaging references or unsubstantiated comparisons to the work of others. | Not present | . [Paragraphs No. R115.2 with respect to promotion or marketing activities have not been adopted by ICAP due to restriction in the Chartered Accountants Ordinance on marketing/ promotion activities (clause 5 and 6 of Part 1 of schedule 1). |
| 115.2 A1 | If a professional accountant is in doubt about whether a form of advertising or marketing is appropriate, the accountant is encouraged to consult with the relevant professional body. | Not Present | . [Paragraphs No. 115.2 A1 with respect to promotion or marketing activities have not been adopted by ICAP due to restriction in the Chartered Accountants Ordinance on marketing/ |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | | | promotion activities (clause 5 and 6 of Part 1 of schedule 1). |
| 120.1 | The circumstances in which professional accountants operate might create threats to compliance with the fundamental principles. Section 120 sets out requirements and application material, including a conceptual framework, to assist accountants in complying with the fundamental principles and meeting their responsibility to act in the public interest. Such requirements and application material accommodate the wide range of facts and circumstances, including the various professional activities, interests and relationships, that create threats to compliance with the fundamental principles. In addition, they deter accountants from concluding that a situation is permitted solely because that situation is not specifically prohibited by the Code. | The circumstances in which chartered accountants operate might create threats to compliance with the fundamental principles. Section 120 sets out requirements and application material, including a conceptual framework, to assist accountants in complying with the fundamental principles and meeting their responsibility to act in the public interest. Such requirements and application material accommodate the wide range of facts and circumstances, including the various professional activities, interests and relationships, that create threats to compliance with the fundamental principles. In addition, they deter accountants from concluding that a situation is permitted solely because that situation is not specifically prohibited by the Code. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 120.2 | The conceptual framework specifies an approach for a professional accountant to: (a) Identify threats to compliance with the fundamental principles; (b) Evaluate the threats identified; and (c) Address the threats by eliminating or reducing them to an acceptable level. | The conceptual framework specifies an approach for a chartered accountant to: (a) Identify threats to compliance with the fundamental principles; (b) Evaluate the threats identified; and (c) Address the threats by eliminating or reducing them to an acceptable level. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R120.3 | The professional accountant shall apply the conceptual framework to identify, evaluate and address threats to compliance with the fundamental principles set out in Section 110. | The chartered accountant shall apply the conceptual framework to identify, evaluate and address threats to compliance with the fundamental principles set out in Section 110. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 120.3 A1 | Additional requirements and application material that are relevant to the application of the conceptual framework are set out in: (a) Part 2 – Professional Accountants in Business; (b) Part 3 – Professional Accountants in Public Practice; and (c) International Independence Standards, as follows: (i) Part 4A – Independence for Audit and Review Engagements; and (ii) Part 4B – Independence for Assurance Engagements Other than Audit and Review Engagements. | Additional requirements and application material that are relevant to the application of the conceptual framework are set out in: (a) Part 2 – Chartered Accountants in Business; (b) Part 3 – Chartered Accountant in Practice; and (c) International Independence Standards, as follows: (i) Part 4A – Independence for Audit and Review Engagements; and (ii) Part 4B – Independence for Assurance Engagements Other than Audit and Review Engagements. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R120.4 | When dealing with an ethics issue, the professional accountant shall consider the context in which the issue has arisen or | When dealing with an ethics issue, the chartered accountant shall consider the context in which the issue has arisen or might arise. Where an individual | Only difference is word Chartered / |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | might arise. Where an individual who is a professional accountant in public practice is performing professional activities pursuant to the accountant's relationship with the firm, whether as a contractor, employee or owner, the individual shall comply with the provisions in Part 2 that apply to these circumstances. | who is a chartered accountant in practice is performing professional activities pursuant to the accountant's relationship with the firm, whether as a contractor, employee or owner, the individual shall comply with the provisions in Part 2 that apply to these circumstances. | Professional and "Public" |
| R120.5 | When applying the conceptual framework, the professional accountant shall: (a) Have an inquiring mind; (b) Exercise professional judgment; and (c) Use the reasonable and informed third party test described in paragraph 120.5 A9. | When applying the conceptual framework, the chartered accountant shall: (a) Have an inquiring mind; (b) Exercise professional judgment; and (c) Use the reasonable and informed third party test described in paragraph 120.5 A6. | Terminology differs: 'chartered accountant' vs 'professional accountant'" and in reference to para 120.5 A9 / 120.5 A6 |
| 120.5 A1 | An inquiring mind is a prerequisite to obtaining an understanding of known facts and circumstances necessary for the proper application of the conceptual framework. Having an inquiring mind involves: (a) Considering the source, relevance and sufficiency of information obtained, taking into account the nature, scope and outputs of the professional activity being undertaken; and (b) Being open and alert to a need for further investigation or other action. | An inquiring mind is a prerequisite to obtaining an understanding of known facts and circumstances necessary for the proper application of the conceptual framework. Having an inquiring mind involves: (a) Considering the source, relevance and sufficiency of information obtained, taking into account the nature, scope and outputs of the professional activity being undertaken; and (b) Being open and alert to a need for further investigation or other action. | No Changes |
| 120.5 A2 | When considering the source, relevance and sufficiency of information obtained, the professional accountant might consider, among other matters, whether: • New information has emerged or there have been changes in facts and circumstances. • The information or its source might be influenced by bias or self-interest. • There is reason to be concerned that potentially relevant information might be missing from the facts and circumstances known to the accountant. • There is an inconsistency between the known facts and circumstances and the accountant's expectations. • The information provides a reasonable basis on which to reach a conclusion. • There might be other reasonable conclusions that could be reached from the information obtained. | When considering the source, relevance and sufficiency of information obtained, the chartered accountant might consider, among other matters, whether: • New information has emerged or there have been changes in facts and circumstances. • The information or its source might be influenced by bias or self- interest. • There is reason to be concerned that potentially relevant information might be missing from the facts and circumstances known to the accountant. • There is an inconsistency between the known facts and circumstances and the accountant's expectations. • The information provides a reasonable basis on which to reach a conclusion. • There might be other reasonable conclusions that could be reached from the information obtained. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 120.5 A3 | Paragraph R120.5 requires all professional accountants to have an inquiring mind when identifying, evaluating and addressing threats to the fundamental principles. This prerequisite for applying the conceptual | Paragraph R120.5 requires all chartered accountants to have an inquiring mind when identifying, evaluating and addressing threats to the fundamental principles. This prerequisite for applying the conceptual framework applies to all | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | framework applies to all accountants regardless of the professional activity undertaken. Under auditing, review and other assurance standards, including those issued by the IAASB, accountants are also required to exercise professional skepticism, which includes a critical assessment of evidence. | accountants regardless of the professional activity undertaken. Under auditing, review and other assurance standards, including those issued by the IAASB, accountants are also required to exercise professional skepticism, which includes a critical assessment of evidence. | |
| 120.5 A4 | Professional judgment involves the application of relevant training, professional knowledge, skill and experience commensurate with the facts and circumstances, taking into account the nature and scope of the particular professional activities, and the interests and relationships involved. | Professional judgment involves the application of relevant training, professional knowledge, skill and experience commensurate with the facts and circumstances, taking into account the nature and scope of the particular professional activities, and the interests and relationships involved. | No Changes |
| 120.5 A5 | Professional judgment is required when the professional accountant applies the conceptual framework in order to make informed decisions about the courses of actions available, and to determine whether such decisions are appropriate in the circumstances. In making this determination, the accountant might consider matters such as whether: • The accountant's expertise and experience are sufficient to reach a conclusion. • There is a need to consult with others with relevant expertise or experience. • The accountant's own preconception or bias might be affecting the accountant's exercise of professional judgment. | Professional judgment is required when the chartered accountant applies the conceptual framework in order to make informed decisions about the courses of actions available, and to determine whether such decisions are appropriate in the circumstances. In making this determination, the accountant might consider matters such as whether: • The accountant's expertise and experience are sufficient to reach a conclusion. • There is a need to consult with others with relevant expertise or experience. • The accountant's own preconception or bias might be affecting the accountant's exercise of professional judgment. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 120.5 A6 | The circumstances in which professional accountants carry out professional activities and the factors involved vary considerably in their range and complexity. The professional judgment exercised by accountants might need to take into account the complexity arising from the compounding effect of the interaction between, and changes in, elements of the facts and circumstances that are uncertain and variables and assumptions that are interconnected or interdependent. | The reasonable and informed third party test is a consideration by the chartered accountant about whether the same conclusions would likely be reached by another party. Such consideration is made from the perspective of a reasonable and informed third party, who weighs all the relevant facts and circumstances that the accountant knows, or could reasonably be expected to know, at the time the conclusions are made. The reasonable and informed third party does not need to be an accountant, but would possess the relevant knowledge and experience to understand and evaluate the appropriateness of the accountant's conclusions in an impartial manner. | Reference issue covered under IESBA 120.5 A9<br><br>IESBA section is in ICAP changes in the code section |
| 120.5 A7 | Managing complexity involves: • Making the firm or employing organization and, if appropriate, relevant stakeholders aware of the inherent uncertainties or difficulties arising from the facts and circumstances. | Managing complexity involves: • Making the firm or employing organization and, if appropriate, relevant stakeholders aware of the inherent uncertainties or difficulties arising from the facts and circumstances. (Ref: Para. R113.3) • Being alert to any | "Changes to the Code" section |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | (Ref: Para. R113.3) • Being alert to any developments or changes in the facts and circumstances and assessing whether they might impact any judgments the accountant has made. (Ref: Para. R120.5 to 120.5 A3, and R120.9 to 120.9 A2) | developments or changes in the facts and circumstances and assessing whether they might impact any judgments the accountant has made. (Ref: Para. R120.5 to 120.5 A3, and R120.9 to 120.9 A2) | |
| 120.5 A8 | Managing complexity might also involve: • Analyzing and investigating as relevant, any uncertain elements, the variables and assumptions and how they are connected or interdependent. • Using technology to analyze relevant data to inform the professional accountant's judgment. • Consulting with others, including experts, to ensure appropriate challenge and additional input as part of the evaluation process. | Managing complexity might also involve: • Analyzing and investigating as relevant, any uncertain elements, the variables and assumptions and how they are connected or interdependent. • Using technology to analyze relevant data to inform the chartered accountant's judgment. • Consulting with others, including experts, to ensure appropriate challenge and additional input as part of the evaluation process. | "Changes to the Code" section |
| 120.5 A9 | The reasonable and informed third party test is a consideration by the professional accountant about whether the same conclusions would likely be reached by another party. Such consideration is made from the perspective of a reasonable and informed third party, who weighs all the relevant facts and circumstances that the accountant knows, or could reasonably be expected to know, at the time the conclusions are made. The reasonable and informed third party does not need to be an accountant, but would possess the relevant knowledge and experience to understand and evaluate the appropriateness of the accountant's conclusions in an impartial manner. | **Not present.** | Reference issue covered under ICAP 120.5 A6 |
| R120.6 | The professional accountant shall identify threats to compliance with the fundamental principles. | The chartered accountant shall identify threats to compliance with the fundamental principles. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 120.6 A1 | An understanding of the facts and circumstances, including any professional activities, interests and relationships that might compromise compliance with the fundamental principles, is a prerequisite to the professional accountant's identification of threats to such compliance. The existence of certain conditions, policies and procedures established by the profession, legislation, regulation, the firm, or the employing organization that can enhance the accountant acting ethically might also help identify threats to compliance with the | An understanding of the facts and circumstances, including any professional activities, interests and relationships that might compromise compliance with the fundamental principles, is a prerequisite to the chartered accountant's identification of threats to such compliance. The existence of certain conditions, policies and procedures established by the profession, legislation, regulation, the firm, or the employing organization that can enhance the accountant acting ethically might also help identify threats to compliance with the fundamental principles. Paragraph 120.8 A2 includes general examples of such conditions, policies and | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | fundamental principles. Paragraph 120.8 A2 includes general examples of such conditions, policies and procedures which are also factors that are relevant in evaluating the level of threats | procedures which are also factors that are relevant in evaluating the level of threats. | |
| 120.6 A2 | Threats to compliance with the fundamental principles might be created by a broad range of facts and circumstances. It is not possible to define every situation that creates threats. In addition, the nature of engagements and work assignments might differ and, consequently, different types of threats might be created. | Threats to compliance with the fundamental principles might be created by a broad range of facts and circumstances. It is not possible to define every situation that creates threats. In addition, the nature of engagements and work assignments might differ and, consequently, different types of threats might be created. | No Changes |
| 120.6 A3 | Threats to compliance with the fundamental principles fall into one or more of the following categories: (a) Self-interest threat – the threat that a financial or other interest will inappropriately influence a professional accountant's judgment or behavior; (b) Self-review threat – the threat that a professional accountant will not appropriately evaluate the results of a previous judgment made, or an activity performed by the accountant or by another individual within the accountant's firm or employing organization, on which the accountant will rely when forming a judgment as part of performing a current activity; (c) Advocacy threat – the threat that a professional accountant will promote a client's or employing organization's position to the point that the accountant's objectivity is compromised; (d) Familiarity threat – the threat that due to a long or close relationship with a client, or employing organization, a professional accountant will be too sympathetic to their interests or too accepting of their work; and (e) Intimidation threat – the threat that a professional accountant will be deterred from acting objectively because of actual or perceived pressures, including attempts to exercise undue influence over the accountant. | Threats to compliance with the fundamental principles fall into one or more of the following categories: (a) Self-interest threat – the threat that a financial or other interest will inappropriately influence a chartered accountant's judgment or behavior; (b) Self-review threat – the threat that a chartered accountant will not appropriately evaluate the results of a previous judgment made, or an activity performed by the accountant or by another individual within the accountant's firm or employing organization, on which the accountant will rely when forming a judgment as part of performing a current activity; (c) Advocacy threat – the threat that a chartered accountant will promote a client's or employing organization's position to the point that the accountant's objectivity is compromised; (d) Familiarity threat – the threat that due to a long or close relationship with a client, or employing organization, a chartered accountant will be too sympathetic to their interests or too accepting of their work; and (e) Intimidation threat – the threat that a chartered accountant will be deterred from acting objectively because of actual or perceived pressures, including attempts to exercise undue influence over the accountant. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 120.6 A4 | A circumstance might create more than one threat, and a threat might affect compliance with more than one fundamental principle. | A circumstance might create more than one threat, and a threat might affect compliance with more than one fundamental principle. | No Changes |
| R120.7 | When the professional accountant identifies a threat to compliance with the fundamental principles, the accountant shall evaluate whether such a threat is at an acceptable level. | When the chartered accountant identifies a threat to compliance with the fundamental principles, the accountant shall evaluate whether such a threat is at an acceptable level. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

**Annexure B**

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 120.7 A1 | An acceptable level is a level at which a professional accountant using the reasonable and informed third party test would likely conclude that the accountant complies with the fundamental principles. | An acceptable level is a level at which a chartered accountant using the reasonable and informed third party test would likely conclude that the accountant complies with the fundamental principles. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 120.8 A1 | The consideration of qualitative as well as quantitative factors is relevant in the professional accountant's evaluation of threats, as is the combined effect of multiple threats, if applicable. | The consideration of qualitative as well as quantitative factors is relevant in the chartered accountant's evaluation of threats, as is the combined effect of multiple threats, if applicable. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 120.8 A2 | The existence of conditions, policies and procedures described in paragraph 120.6 A1 might also be factors that are relevant in evaluating the level of threats to compliance with the fundamental principles. Examples of such conditions, policies and procedures include: • Corporate governance requirements. • Educational, training and experience requirements for the profession. • Effective complaint systems which enable the professional accountant and the general public to draw attention to unethical behavior. • An explicitly stated duty to report breaches of ethics requirements. • Professional or regulatory monitoring and disciplinary procedures. | The existence of conditions, policies and procedures described in paragraph 120.6 A1 might also be factors that are relevant in evaluating the level of threats to compliance with the fundamental principles. Examples of such conditions, policies and procedures include: • Corporate governance requirements. • Educational, training and experience requirements for the profession. • Effective complaint systems which enable the chartered accountant and the general public to draw attention to unethical behavior. • An explicitly stated duty to report breaches of ethics requirements. • Professional or regulatory monitoring and disciplinary procedures. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R120.9 | If the professional accountant becomes aware of new information or changes in facts and circumstances that might impact whether a threat has been eliminated or reduced to an acceptable level, the accountant shall re-evaluate and address that threat accordingly. | If the chartered accountant becomes aware of new information or changes in facts and circumstances that might impact whether a threat has been eliminated or reduced to an acceptable level, the accountant shall re-evaluate and address that threat accordingly. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 120.9 A1 | Remaining alert throughout the professional activity assists the professional accountant in determining whether new information has emerged or changes in facts and circumstances have occurred that: (a) Impact the level of a threat; or (b) Affect the accountant's conclusions about whether safeguards applied continue to be appropriate to address identified threats. | Remaining alert throughout the professional activity assists the chartered accountant in determining whether new information has emerged or changes in facts and circumstances have occurred that: (a) Impact the level of a threat; or (b) Affect the accountant's conclusions about whether safeguards applied continue to be appropriate to address identified threats. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 120.9 A2 | If new information results in the identification of a new threat, the professional accountant is required to evaluate and, as appropriate, address this threat. (Ref: Paras. R120.7 and R120.10). | If new information results in the identification of a new threat, the chartered accountant is required to evaluate and, as appropriate, address this threat. (Ref: Paras. R120.7 and R120.10). | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

**Annexure B**

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| R120.10 | If the professional accountant determines that the identified threats to compliance with the fundamental principles are not at an acceptable level, the accountant shall address the threats by eliminating them or reducing them to an acceptable level. The accountant shall do so by: (a) Eliminating the circumstances, including interests or relationships, that are creating the threats; (b) Applying safeguards, where available and capable of being applied, to reduce the threats to an acceptable level; or (c) Declining or ending the specific professional activity. | If the chartered accountant determines that the identified threats to compliance with the fundamental principles are not at an acceptable level, the accountant shall address the threats by eliminating them or reducing them to an acceptable level. The accountant shall do so by: (a) Eliminating the circumstances, including interests or relationships, that are creating the threats; (b) Applying safeguards, where available and capable of being applied, to reduce the threats to an acceptable level; or (c) Declining or ending the specific professional activity. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 120.10 A1 | Depending on the facts and circumstances, a threat might be addressed by eliminating the circumstance creating the threat. However, there are some situations in which threats can only be addressed by declining or ending the specific professional activity. This is because the circumstances that created the threats cannot be eliminated and safeguards are not capable of being applied to reduce the threat to an acceptable level. | Depending on the facts and circumstances, a threat might be addressed by eliminating the circumstance creating the threat. However, there are some situations in which threats can only be addressed by declining or ending the specific professional activity. This is because the circumstances that created the threats cannot be eliminated and safeguards are not capable of being applied to reduce the threat to an acceptable level. | No Changes |
| 120.10 A2 | Safeguards are actions, individually or in combination, that the professional accountant takes that effectively reduce threats to compliance with the fundamental principles to an acceptable level. | Safeguards are actions, individually or in combination, that the chartered accountant takes that effectively reduce threats to compliance with the fundamental principles to an acceptable level. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R120.11 | The professional accountant shall form an overall conclusion about whether the actions that the accountant takes, or intends to take, to address the threats created will eliminate those threats or reduce them to an acceptable level. In forming the overall conclusion, the accountant shall: (a) Review any significant judgments made or conclusions reached; and (b) Use the reasonable and informed third party test. | The chartered accountant shall form an overall conclusion about whether the actions that the accountant takes, or intends to take, to address the threats created will eliminate those threats or reduce them to an acceptable level. In forming the overall conclusion, the accountant shall: (a) Review any significant judgments made or conclusions reached; and (b) Use the reasonable and informed third party test. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 120.12 A1 | Conscious or unconscious bias affects the exercise of professional judgment when identifying, evaluating and addressing threats to compliance with the fundamental principles. | Conscious or unconscious bias affects the exercise of professional judgment when identifying, evaluating and addressing threats to compliance with the fundamental principles. | No Changes |
| 120.12 A2 | Examples of potential bias to be aware of when exercising professional judgment include: • Anchoring bias, which is a tendency to use an initial piece of information as an anchor against which subsequent information is inadequately | Examples of potential bias to be aware of when exercising professional judgment include: Anchoring bias, which is a tendency to use an initial piece of information as an anchor against which subsequent information is inadequately assessed. • Automation bias, which is a tendency to favor output generated | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | assessed. • Automation bias, which is a tendency to favor output generated from automated systems, even when human reasoning or contradictory information raises questions as to whether such output is reliable or fit for purpose. • Availability bias, which is a tendency to place more weight on events or experiences that immediately come to mind or are readily available than on those that are not. • Confirmation bias, which is a tendency to place more weight on information that corroborates an existing belief than information that contradicts or casts doubt on that belief. • Groupthink, which is a tendency for a group of individuals to discourage individual creativity and responsibility and as a result reach a decision without critical reasoning or consideration of alternatives. • Overconfidence bias, which is a tendency to overestimate one's own ability to make accurate assessments of risk or other judgments or decisions. • Representation bias, which is a tendency to base an understanding on a pattern of experiences, events or beliefs that is assumed to be representative. • Selective perception, which is a tendency for a person's expectations to influence how the person views a particular matter or person. | from automated systems, even when human reasoning or contradictory information raises questions as to whether such output is reliable or fit for purpose. • Availability bias, which is a tendency to place more weight on events or experiences that immediately come to mind or are readily available than on those that are not. • Confirmation bias, which is a tendency to place more weight on information that corroborates an existing belief than information that contradicts or casts doubt on that belief. • Groupthink, which is a tendency for a group of individuals to discourage individual creativity and responsibility and as a result reach a decision without critical reasoning or consideration of alternatives. • Overconfidence bias, which is a tendency to overestimate one's own ability to make accurate assessments of risk or other judgments or decisions.<br>• Representation bias, which is a tendency to base an understanding on a pattern of experiences, events or beliefs that is assumed to be representative. • Selective perception, which is a tendency for a person's expectations to influence how the person views a particular matter or person. | |
| 120.12 A3 | Actions that might mitigate the effect of bias include: • Seeking advice from experts to obtain additional input. • Consulting with others to ensure appropriate challenge as part of the evaluation process. • Receiving training related to the identification of bias as part of professional development. | Actions that might mitigate the effect of bias include: • Seeking advice from experts to obtain additional input. • Consulting with others to ensure appropriate challenge as part of the evaluation process. • Receiving training related to the identification of bias as part of professional development. | No Changes |
| 120.13 A1 | The effective application of the conceptual framework by a professional accountant is enhanced when the importance of ethical values that align with the fundamental principles and other provisions set out in the Code is promoted through the internal culture of the accountant's organization. | The effective application of the conceptual framework by a chartered accountant is enhanced when the importance of ethical values that align with the fundamental principles and other provisions set out in the Code is promoted through the internal culture of the accountant's organization. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 120.13 A2 | The promotion of an ethical culture within an organization is most effective when: (a) Leaders and those in managerial roles promote the importance of, and hold themselves and others accountable for demonstrating, the ethical values of the organization; (b) Appropriate education and training programs, management processes, | The promotion of an ethical culture within an organization is most effective when: (a) Leaders and those in managerial roles promote the importance of, and hold themselves and others accountable for demonstrating, the ethical values of the organization; (b) Appropriate education and training programs, management processes, and performance evaluation and reward criteria that | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | and performance evaluation and reward criteria that promote an ethical culture are in place; (c) Effective policies and procedures are in place to encourage and protect those who report actual or suspected illegal or unethical behavior, including whistleblowers; and (d) The organization adheres to ethical values in its dealings with third parties. | promote an ethical culture are in place; (c) Effective policies and procedures are in place to encourage and protect those who report actual or suspected illegal or unethical behavior, including whistle-blowers; and (d) The organization adheres to ethical values in its dealings with third parties. | |
| 120.13 A3 | Professional accountants are expected to: (a) Encourage and promote an ethics-based culture in their organization, taking into account their position and seniority; and (b) Exhibit ethical behavior in dealings with individuals with whom, and entities with which, the accountants, the firm or the employing organization has a professional or business relationship. | Chartered accountants are expected to encourage and promote an ethics- based culture in their organization, taking into account their position and seniority. | Slight changes |
| 120.14 A1 | ISQM 1 sets out requirements and application material relating to firm culture in the context of a firm's responsibilities to design, implement and operate a system of quality management for audits or reviews of financial statements, or other assurance or related services engagements. | ISQM 1 sets out requirements and application material relating to firm culture in the context of a firm's responsibilities to design, implement and operate a system of quality management for audits or reviews of financial statements, or other assurance or related services engagements. | No Changes |
| 120.15 A1 | Professional accountants in public practice are required by International Independence Standards to be independent when performing audits, reviews, or other assurance engagements. Independence is linked to the fundamental principles of objectivity and integrity. It comprises: (a) Independence of mind – the state of mind that permits the expression of a conclusion without being affected by influences that compromise professional judgment, thereby allowing an individual to act with integrity, and exercise objectivity and professional skepticism. (b) Independence in appearance – the avoidance of facts and circumstances that are so significant that a reasonable and informed third party would be likely to conclude that a firm's or an audit or assurance team member's integrity, objectivity or professional skepticism has been compromised. | Chartered accountants in practice are required by International Independence Standards to be independent when performing audits, reviews, or other assurance engagements. Independence is linked to the fundamental principles of objectivity and integrity. It comprises: (a) Independence of mind – the state of mind that permits the expression of a conclusion without being affected by influences that compromise professional judgment, thereby allowing an individual to act with integrity, and exercise objectivity and professional skepticism. (b) Independence in appearance – the avoidance of facts and circumstances that are so significant that a reasonable and informed third party would be likely to conclude that a firm's or an audit or assurance team member's integrity, objectivity or professional skepticism has been compromised. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 120.15 A2 | International Independence Standards set out requirements and application material on how to apply the conceptual framework to maintain independence when performing audits, reviews or other assurance | International Independence Standards set out requirements and application material on how to apply the conceptual framework to maintain independence when performing audits, reviews or other assurance engagements. chartered | Slight change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | engagements. Professional accountants and firms are required to comply with these standards in order to be independent when conducting such engagements. The conceptual framework to identify, evaluate and address threats to compliance with the fundamental principles applies in the same way to compliance with independence requirements. The categories of threats to compliance with the fundamental principles described in paragraph 120.6 A3 are also the categories of threats to compliance with independence requirements. | accountants and firms are required to comply with these standards in order to be independent when conducting such engagements. The conceptual framework to identify, evaluate and address threats to compliance with the fundamental principles applies in the same way to compliance with independence requirements. | |
| 120.15 A3 | Conditions, policies and procedures described in paragraphs 120.6 A1 and 120.8 A2 that might assist in identifying and evaluating threats to compliance with the fundamental principles might also be factors relevant to identifying and evaluating threats to independence. In the context of audits, reviews and other assurance engagements, a system of quality management designed, implemented and operated by a firm in accordance with the quality management standards issued by the IAASB is an example of such conditions, policies and procedures. | Conditions, policies and procedures described in paragraphs 120.6 A1 and 120.8 A2 that might assist in identifying and evaluating threats to compliance with the fundamental principles might also be factors relevant to identifying and evaluating threats to independence. In the context of audits, reviews and other assurance engagements, a system of quality management designed, implemented and operated by a firm in accordance with the quality management standards issued by the IAASB is an example of such conditions, policies and procedures | No Changes |
| 120.16 A1 | Under auditing, review and other assurance standards, including those issued by the IAASB, professional accountants in public practice are required to exercise professional skepticism when planning and performing audits, reviews and other assurance engagements. Professional skepticism and the fundamental principles that are described in Section 110 are inter-related concepts. | Under auditing, review and other assurance standards, including those issued by the IAASB, chartered accountants in practice are required to exercise professional skepticism when planning and performing audits, reviews and other assurance engagements. Professional skepticism and the fundamental principles that are described in Section 110 are inter- related concepts. | Only difference is word Chartered / Professional and “Public” |
| 120.16 A2 | In an audit of financial statements, compliance with the fundamental principles, individually and collectively, supports the exercise of professional skepticism, as shown in the following examples: • Integrity requires the professional accountant to be straightforward and honest. For example, the accountant complies with the principle of integrity by: o Being straightforward and honest when raising concerns about a position taken by a client. o Pursuing inquiries about inconsistent information and seeking further audit evidence to address concerns about statements that might be materially false or misleading in order to make informed decisions about the | In an audit of financial statements, compliance with the fundamental principles, individually and collectively, supports the exercise of professional skepticism, as shown in the following examples: • Integrity requires the chartered accountant to be straightforward and honest. For example, the accountant complies with the principle of integrity by: o Being straightforward and honest when raising concerns about a position taken by a client. o Pursuing inquiries about inconsistent information and seeking further audit evidence to address concerns about statements that might be materially false or misleading in order to make informed decisions about the appropriate course of action in the circumstances. o Having the strength of character to act appropriately, even when facing | Terminology differs: ‘chartered accountant’ vs ‘professional accountant’” |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | appropriate course of action in the circumstances. o Having the strength of character to act appropriately, even when facing pressure to do otherwise or when doing so might create potential adverse personal or organizational consequences. Acting appropriately involves: (a) Standing one's ground when confronted by dilemmas and difficult situations; or (b) Challenging others as and when circumstances warrant, in a manner appropriate to the circumstances. In doing so, the accountant demonstrates the critical assessment of audit evidence that contributes to the exercise of professional skepticism. • Objectivity requires the professional accountant to exercise professional or business judgment without being compromised by: (a) Bias; (b) Conflict of interest; or (c) Undue influence of, or undue reliance on, individuals, organizations, technology or other factors. For example, the accountant complies with the principle of objectivity by: (a) Recognizing circumstances or relationships such as familiarity with the client, that might compromise the accountant's professional or business judgment; and (b) Considering the impact of such circumstances and relationships on the accountant's judgment when evaluating the sufficiency and appropriateness of audit evidence related to a matter material to the client's financial statements. In doing so, the accountant behaves in a manner that contributes to the exercise of professional skepticism. • Professional competence and due care requires the professional accountant to have professional knowledge and skill at the level required to ensure the provision of competent professional service, and to act diligently in accordance with applicable standards, laws and regulations. For example, the accountant complies with the principle of professional competence and due care by: (a) Applying knowledge that is relevant to a particular client's industry and business activities in order to properly identify risks of material misstatement; (b) Designing and performing appropriate audit procedures; and (c) Applying relevant knowledge when critically assessing whether audit evidence is sufficient and appropriate in the circumstances. In doing so, the accountant behaves in a manner that contributes to the exercise of professional skepticism. | pressure to do otherwise or when doing so might create potential adverse personal or organizational consequences. Acting appropriately involves: (a) Standing one's ground when confronted by dilemmas and difficult situations; or \ (b) Challenging others as and when circumstances warrant, in a manner appropriate to the circumstances. In doing so, the accountant demonstrates the critical assessment of audit evidence that contributes to the exercise of professional skepticism. • Objectivity requires the chartered accountant to exercise professional or business judgment without being compromised by: (a) Bias; (b) Conflict of interest; or (c) Undue influence of, or undue reliance on, individuals, organizations, technology or other factors. For example, the accountant complies with the principle of objectivity by: (a) Recognizing circumstances or relationships such as familiarity with the client, that might compromise the accountant's professional or business judgment; and (b) Considering the impact of such circumstances and relationships on the accountant's judgment when evaluating the sufficiency and appropriateness of audit evidence related to a matter material to the client's financial statements. In doing so, the accountant behaves in a manner that contributes to the exercise of professional skepticism. • Professional competence and due care require the chartered accountant to have professional knowledge and skill at the level required to ensure the provision of competent professional service, and to act diligently in accordance with applicable standards, laws and regulations. For example, the accountant complies with the principle of professional competence and due care by: (a) Applying knowledge that is relevant to a particular client's industry and business activities in order to properly identify risks of material misstatement; (b) Designing and performing appropriate audit procedures; and \(c) Applying relevant knowledge when critically assessing whether audit evidence is sufficient and appropriate in the circumstances. In doing so, the accountant behaves in a manner that contributes to the exercise of professional skepticism. | |

**Annexure B**

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 200.1 | This Part of the Code sets out requirements and application material for professional accountants in business when applying the conceptual framework set out in Section 120. It does not describe all of the facts and circumstances, including professional activities, interests and relationships, that could be encountered by professional accountants in business, which create or might create threats to compliance with the fundamental principles. Therefore, the conceptual framework requires professional accountants in business to be alert for such facts and circumstances. | This Part of the Code sets out requirements and application material for chartered accountants in business when applying the conceptual framework set out in Section 120. It does not describe all of the facts and circumstances, including professional activities, interests and relationships, that could be encountered by chartered accountants in business, which create or might create threats to compliance with the fundamental principles. Therefore, the conceptual framework requires chartered accountants in business to be alert for such facts and circumstances. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 200.2 | Investors, creditors, employing organizations and other sectors of the business community, as well as governments and the general public, might rely on the work of professional accountants in business. Professional accountants in business might be solely or jointly responsible for the preparation and reporting of financial and other information, on which both their employing organizations and third parties might rely. They might also be responsible for providing effective financial management and competent advice on a variety of business-related matters. | Investors, creditors, employing organizations and other sectors of the business community, as well as governments and the general public, might rely on the work of chartered accountants in business. Chartered accountants in business might be solely or jointly responsible for the preparation and reporting of financial and other information, on which both their employing organizations and third parties might rely. They might also be responsible for providing effective financial management and competent advice on a variety of business-related matters. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 200.3 | A professional accountant in business might be an employee, contractor, partner, director (executive or non-executive), owner manager, or volunteer of an employing organization. The legal form of the relationship of the accountant with the employing organization has no bearing on the ethical responsibilities placed on the accountant. | A chartered accountant in business might be an employee, contractor, partner, director (executive or non-executive), owner- manager, or volunteer of an employing organization. The legal form of the relationship of the accountant with the employing organization has no bearing on the ethical responsibilities placed on the accountant. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 200.4 | In this Part, the term "professional accountant" refers to: (a) A professional accountant in business; and (b) An individual who is a professional accountant in public practice when performing professional activities pursuant to the accountant's relationship with the accountant's firm, whether as a contractor, employee or owner. More information on when Part 2 is applicable to professional accountants in public practice is set out in paragraphs R120.4, R300.5 and 300.5 A1. | In this Part, the term "chartered accountant" refers to: (a) A chartered accountant in business; and (b) An individual who is a chartered accountant in practice when performing professional activities pursuant to the accountant's relationship with the accountant's firm, whether as a contractor, employee or owner. More information on when Part 2 is applicable to chartered accountants in practice is set out in paragraphs R120.4, | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R200.5 | A professional accountant shall comply with the fundamental principles set out in Section | A chartered accountant shall comply with the fundamental principles set out in Section 110 and | Terminology differs: 'chartered |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | 110 and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to compliance with the fundamental principles. | apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to compliance with the fundamental principles. | accountant' vs 'professional accountant'" |
| 200.5 A1 | A professional accountant has a responsibility to further the legitimate objectives of the accountant's employing organization. The Code does not seek to hinder accountants from fulfilling that responsibility, but addresses circumstances in which compliance with the fundamental principles might be compromised. | A chartered accountant has a responsibility to further the legitimate objectives of the accountant's employing organization. The Code does not seek to hinder accountants from fulfilling that responsibility, but addresses circumstances in which compliance with the fundamental principles might be compromised. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 200.5 A2 | Professional accountants may promote the position of the employing organization when furthering the legitimate goals and objectives of their employing organization, provided that any statements made are neither false nor misleading. Such actions usually would not create an advocacy threat. | Chartered Accountants may promote the position of the employing organization when furthering the legitimate goals and objectives of their employing organization, provided that any statements made are neither false nor misleading. Such actions usually would not create an advocacy threat. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 200.5 A3 | The more senior the position of a professional accountant, the greater will be the ability and opportunity to access information, and to influence policies, decisions made and actions taken by others involved with the employing organization. To the extent that they are able to do so, taking into account their position and seniority in the organization, accountants are expected to encourage and promote an ethics-based culture in the organization and exhibit ethical behavior in dealings with individuals with whom, and entities with which, the accountant or the employing organization has a professional or business relationship in accordance with paragraph 120.13 A3. Examples of actions that might be taken include the introduction, implementation and oversight of: • Ethics education and training programs. • Management processes and performance evaluation and reward criteria that promote an ethical culture. • Ethics and whistle-blowing policies. • Policies and procedures designed to prevent noncompliance with laws and regulations. | The more senior the position of a chartered accountant, the greater will be the ability and opportunity to access information, and to influence policies, decisions made and actions taken by others involved with the employing organization. To the extent that they are able to do so, taking into account their position and seniority in the organization, accountants are expected to encourage and promote an ethics-based culture in the organization in accordance with paragraph 120.13 A3. Examples of actions that might be taken include the introduction, implementation and oversight of: • Ethics education and training programs. • Management processes and performance evaluation and reward criteria that promote an ethical culture. • Ethics and whistle-blowing policies • Policies and procedures designed to prevent non-compliance with laws and regulations. | Slight change |
| 200.6A1 | Threats to compliance with the fundamental principles might be created by a broad range of facts and circumstances. The categories of threats are described in paragraph 120.6 A3. The following are examples of facts and circumstances within each of those categories that might create threats for a | Threats to compliance with the fundamental principles might be created by a broad range of facts and circumstances. The categories of threats are described in paragraph 120.6 A3. The following are examples of facts and circumstances within each of those categories that might create threats for a chartered accountant when undertaking a | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | professional accountant when undertaking a professional activity: (a) Self-interest Threats • A professional accountant holding a financial interest in, or receiving a loan or guarantee from, the employing organization. • A professional accountant participating in incentive compensation arrangements offered by the employing organization. • A professional accountant having access to corporate assets for personal use. • A professional accountant being offered a gift or special treatment from a supplier of the employing organization. (b) Self-review Threats • A professional accountant determining the appropriate accounting treatment for a business combination after performing the feasibility study supporting the purchase decision. (c) Advocacy Threats • A professional accountant having the opportunity to manipulate information in a prospectus in order to obtain favorable financing. (d) Familiarity Threats • A professional accountant being responsible for the financial reporting of the employing organization when an immediate or close family member employed by the organization makes decisions that affect the financial reporting of the organization. • A professional accountant having a long association with individuals influencing business decisions. (e) Intimidation Threats • A professional accountant or immediate or close family member facing the threat of dismissal or replacement over a disagreement about: o The application of an accounting principle. o The way in which financial information is to be reported. • An individual attempting to influence the decision making process of the professional accountant, for example with regard to the awarding of contracts or the application of an accounting principle. | professional activity: (a) Self-interest Threats A chartered accountant holding a financial interest in, or receiving a loan or guarantee from, the employing organization. • A chartered accountant participating in incentive compensation arrangements offered by the employing organization. • A chartered accountant having access to corporate assets for personal use. • A chartered accountant being offered a gift or special treatment from a supplier of the employing organization. (b) Self-review Threats • A chartered accountant determining the appropriate accounting treatment for a business combination after performing the feasibility study supporting the purchase decision. (c) Advocacy Threats • A chartered accountant having the opportunity to manipulate information in a prospectus in order to obtain favorable financing. (d) Familiarity Threats • A chartered accountant being responsible for the financial reporting of the employing organization when an immediate or close family member employed by the organization makes decisions that affect the financial reporting of the organization. • A chartered accountant having a long association with individuals influencing business decisions. (e) Intimidation Threats • A chartered accountant or immediate or close family member facing the threat of dismissal or replacement over a disagreement about: o The application of an accounting principle. o The way in which financial information is to be reported. • An individual attempting to influence the decision making process of the chartered accountant, for example with regard to the awarding of contracts or the application of an accounting principle. | |
| 200.6A2 | The following are examples of facts and circumstances relating to the use of technology that might create threats for a professional accountant when undertaking a professional activity: • Self-interest Threats o The data available might not be sufficient for the effective use of the technology. o The technology might not be appropriate for the purpose for which it is to be used. o The accountant might not have sufficient information and expertise, or access to an expert with sufficient understanding, to use and explain the technology and its appropriateness for the purpose intended. | The following are examples of facts and circumstances relating to the use of technology that might create threats for a chartered accountant when undertaking a professional activity: • Self-interest Threats o The data available might not be sufficient for the effective use of the technology. o The technology might not be appropriate for the purpose for which it is to be used. o The accountant might not have sufficient information and expertise, or access to an expert with sufficient understanding, to use and explain the technology and its appropriateness for the purpose intended. (Ref: Para. 230.2). • Self-review Threats o The technology was designed or developed using the knowledge, | "Changes to the Code" section |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | (Ref: Para. 230.2). • Self-review Threats o The technology was designed or developed using the knowledge, expertise or judgment of the accountant or employing organization. | expertise or judgment of the accountant or employing organization. | |
| 200.7A1 | The conditions, policies and procedures described in paragraphs 120.6 A1 and 120.8 A2 might impact the evaluation of whether a threat to compliance with the fundamental principles is at an acceptable level. | The conditions, policies and procedures described in paragraphs 120.6 A1 and 120.8 A2 might impact the evaluation of whether a threat to compliance with the fundamental principles is at an acceptable level. | No Change |
| 200.7A2 | The professional accountant's evaluation of the level of a threat is also impacted by the nature and scope of the professional activity. | The chartered accountant's evaluation of the level of a threat is also impacted by the nature and scope of the professional activity. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 200.7A3 | The professional accountant's evaluation of the level of a threat might be impacted by the work environment within the employing organization and its operating environment. For example: • Leadership that stresses the importance of ethical behavior and the expectation that employees will act in an ethical manner. • Policies and procedures to empower and encourage employees to communicate ethics issues that concern them to senior levels of management without fear of retribution. • Policies and procedures to implement and monitor the quality of employee performance. • Systems of corporate oversight or other oversight structures and strong internal controls. • Recruitment procedures emphasizing the importance of employing high caliber competent personnel. • Timely communication of policies and procedures, including any changes to them, to all employees, and appropriate training and education on such policies and procedures. • Ethics and code of conduct policies. | The chartered accountant's evaluation of the level of a threat might be impacted by the work environment within the employing organization and its operating environment. For example: • Leadership that stresses the importance of ethical behavior and the expectation that employees will act in an ethical manner. • Policies and procedures to empower and encourage employees to communicate ethics issues that concern them to senior levels of management without fear of retribution. • Policies and procedures to implement and monitor the quality of employee performance. • Systems of corporate oversight or other oversight structures and strong internal controls. • Recruitment procedures emphasizing the importance of employing high caliber competent personnel. • Timely communication of policies and procedures, including any changes to them, to all employees, and appropriate training and education on such policies and procedures. • Ethics and code of conduct policies. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 200.7A4 | The professional accountant's evaluation of the level of a threat associated with the use of technology might also be impacted by the work environment within the employing organization and its operating environment. For example: • Level of corporate oversight and internal controls over the technology. • Assessments of the quality and functionality of technology that are undertaken by a third-party. • Training that is provided regularly to all relevant employees so they obtain and maintain the professional competence to sufficiently understand, use and explain the | Chartered accountants might consider obtaining legal advice where they believe that unethical behavior or actions by others have occurred, or will continue to occur, within the employing organization. | Referenceissue covered under IESBA 200.7A5 |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | technology and its appropriateness for the purpose intended. | | |
| 200.7A5 | Professional accountants might consider obtaining legal advice where they believe that unethical behavior or actions by others have occurred, or will continue to occur, within the employing organization. | Not Present | Referenceissue covered under ICAP 200.7A4 |
| 200.8A1 | Sections 210 to 270 describe certain threats that might arise during the course of performing professional activities and include examples of actions that might address such threats. | Sections 210 to 270 describe certain threats that might arise during the course of performing professional activities and include examples of actions that might address such threats. | No Change |
| 200.8A2 | In extreme situations, if the circumstances that created the threats cannot be eliminated and safeguards are not available or capable of being applied to reduce the threat to an acceptable level, it might be appropriate for a professional accountant to resign from the employing organization. | In extreme situations, if the circumstances that created the threats cannot be eliminated and safeguards are not available or capable of being applied to reduce the threat to an acceptable level, it might be appropriate for a chartered accountant to resign from the employing organization. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R200.9 | When communicating with those charged with governance in accordance with the Code, a professional accountant shall determine the appropriate individual(s) within the employing organization's governance structure with whom to communicate. If the accountant communicates with a subgroup of those charged with governance, the accountant shall determine whether communication with all of those charged with governance is also necessary so that they are adequately informed. | When communicating with those charged with governance in accordance with the Code, a chartered accountant shall determine the appropriate individual(s) within the employing organization's governance structure with whom to communicate. If the accountant communicates with a subgroup of those charged with governance, the accountant shall determine whether communication with all of those charged with governance is also necessary so that they are adequately informed. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 200.9A1 | In determining with whom to communicate, a professional accountant might consider: (a) The nature and importance of the circumstances; and (b) The matter to be communicated. | In determining with whom to communicate, a chartered accountant might consider: (a) The nature and importance of the circumstances; and (b) The matter to be communicated. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 200.9A2 | Examples of a subgroup of those charged with governance include an audit committee or an individual member of those charged with governance. | Examples of a subgroup of those charged with governance include an audit committee or an individual member of those charged with governance. | No Change |
| R200.10 | If a professional accountant communicates with individuals who have management responsibilities as well as governance responsibilities, the accountant shall be satisfied that communication with those individuals adequately informs all of those in | If a chartered accountant communicates with individuals who have management responsibilities as well as governance responsibilities, the accountant shall be satisfied that communication with those individuals adequately informs all of those | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | a governance role with whom the accountant would otherwise communicate. | in a governance role with whom the accountant would otherwise communicate. | |
| 200.10A1 | In some circumstances, all of those charged with governance are involved in managing the employing organization, for example, a small business where a single owner manages the organization and no one else has a governance role. In these cases, if matters are communicated with individual(s) with management responsibilities, and those individual(s) also have governance responsibilities, the professional accountant has satisfied the requirement to communicate with those charged with governance. | In some circumstances, all of those charged with governance are involved in managing the employing organization, for example, a small business where a single owner manages the organization and no one else has a governance role. In these cases, if matters are communicated with individual(s) with management responsibilities, and those individual(s) also have governance responsibilities, the chartered accountant has satisfied the requirement to communicate with those charged with governance. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 210.1 | 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. | Chartered 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. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 210.2 | A conflict of interest creates threats to compliance with the principle of objectivity and might create threats to compliance with the other fundamental principles. Such threats might be created when: (a) A professional accountant undertakes a professional activity related to a particular matter for two or more parties whose interests with respect to that matter are in conflict; or (b) The interest of a professional accountant with respect to a particular matter and the interests of a party for whom the accountant undertakes a professional activity related to that matter are in conflict. A party might include an employing organization, a vendor, a customer, a lender, a shareholder, or another party. | A conflict of interest creates threats to compliance with the principle of objectivity and might create threats to compliance with the other fundamental principles. Such threats might be created when: (a) A chartered accountant undertakes a professional activity related to a particular matter for two or more parties whose interests with respect to that matter are in conflict; or (b) The interest of a chartered accountant with respect to a particular matter and the interests of a party for whom the accountant undertakes a professional activity related to that matter are in conflict. A party might include an employing organization, a vendor, a customer, a lender, a shareholder, or another party. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 210.3 | This section sets out specific requirements and application material relevant to applying the conceptual framework to conflicts of interest. | This section sets out specific requirements and application material relevant to applying the conceptual framework to conflicts of interest. | No Change |
| R210.4 | A professional accountant shall not allow a conflict of interest to compromise professional or business judgment. | A chartered accountant shall not allow a conflict of interest to compromise professional or business judgment. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 210.4A1 | Examples of circumstances that might create a conflict of interest include: • Serving | Examples of circumstances that might create a conflict of interest include: • Serving in a | Terminology differs: 'chartered |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | in a management or governance position for two employing organizations and acquiring confidential information from one organization that might be used by the professional accountant to the advantage or disadvantage of the other organization. • Undertaking a professional activity for each of two parties in a partnership, where both parties are employing the accountant to assist them to dissolve their partnership. • Preparing financial information for certain members of management of the accountant's employing organization who are seeking to undertake a management buy-out. • Being responsible for selecting a vendor for the employing organization when an immediate family member of the accountant might benefit financially from the transaction. • Serving in a governance capacity in an employing organization that is approving certain investments for the company where one of those investments will increase the value of the investment portfolio of the accountant or an immediate family member. | management or governance position for two employing organizations and acquiring confidential information from one organization that might be used by the chartered accountant to the advantage or disadvantage of the other organization. • Undertaking a professional activity for each of two parties in a partnership, where both parties are employing the accountant to assist them to dissolve their partnership. • Preparing financial information for certain members of management of the accountant's employing organization who are seeking to undertake a management buy-out. • Being responsible for selecting a vendor for the employing organization when an immediate family member of the accountant might benefit financially from the transaction. • Serving in a governance capacity in an employing organization that is approving certain investments for the company where one of those investments will increase the value of the investment portfolio of the accountant or an immediate family member. | accountant' vs 'professional accountant'" |
| R210.5 | A professional accountant shall take reasonable steps to identify circumstances that might create a conflict of interest, and therefore a threat to compliance with one or more of the fundamental principles. Such steps shall include identifying: (a) The nature of the relevant interests and relationships between the parties involved; and (b) The activity and its implication for relevant parties. | A chartered accountant shall take reasonable steps to identify circumstances that might create a conflict of interest, and therefore a threat to compliance with one or more of the fundamental principles. Such steps shall include identifying: (a) The nature of the relevant interests and relationships between the parties involved; and (b) The activity and its implication for relevant parties. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R210.6 | A professional accountant shall remain alert to changes over time in the nature of the activities, interests and relationships that might create a conflict of interest while performing a professional activity. | A chartered accountant shall remain alert to changes over time in the nature of the activities, interests and relationships that might create a conflict of interest while performing a professional activity. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 210.7A1 | In general, the more direct the connection between the professional activity and the matter on which the parties' interests conflict, the more likely the level of the threat is not at an acceptable level. | In general, the more direct the connection between the professional activity and the matter on which the parties' interests conflict, the more likely the level of the threat is not at an acceptable level. | No Change |
| 210.7A2 | An example of an action that might eliminate threats created by conflicts of interest is withdrawing from the decision-making process related to the matter giving rise to the conflict of interest. | An example of an action that might eliminate threats created by conflicts of interest is withdrawing from the decision-making process related to the matter giving rise to the conflict of interest. | No Change |

**Annexure B**

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 210.7A3 | Examples of actions that might be safeguards to address threats created by conflicts of interest include: • Restructuring or segregating certain responsibilities and duties. • Obtaining appropriate oversight, for example, acting under the supervision of an executive or non-executive director. | Examples of actions that might be safeguards to address threats created by conflicts of interest include: • Restructuring or segregating certain responsibilities and duties. • Obtaining appropriate oversight, for example, acting under the supervision of an executive or non-executive director. | No Change |
| 210.8A1 | It is generally necessary to: (a) Disclose the nature of the conflict of interest and how any threats created were addressed to the relevant parties, including to the appropriate levels within the employing organization affected by a conflict; and (b) Obtain consent from the relevant parties for the professional accountant to undertake the professional activity when safeguards are applied to address the threat. | It is generally necessary to: (a) Disclose the nature of the conflict of interest and how any threats created were addressed to the relevant parties, including to the appropriate levels within the employing organization affected by a conflict; and (b) Obtain consent from the relevant parties for the chartered accountant to undertake the professional activity when safeguards are applied to address the threat. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 210.8A2 | Consent might be implied by a party's conduct in circumstances where the professional accountant has sufficient evidence to conclude that the parties know the circumstances at the outset and have accepted the conflict of interest if they do not raise an objection to the existence of the conflict. | Consent might be implied by a party's conduct in circumstances where the chartered accountant has sufficient evidence to conclude that the parties know the circumstances at the outset and have accepted the conflict of interest if they do not raise an objection to the existence of the conflict. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 210.8A3 | If such disclosure or consent is not in writing, the professional accountant is encouraged to document: (a) The nature of the circumstances giving rise to the conflict of interest; (b) The safeguards applied to address the threats when applicable; and (c) The consent obtained. Other Considerations | If such disclosure or consent is not in writing, the chartered accountant is encouraged to document: (a) The nature of the circumstances giving rise to the conflict of interest; (b) The safeguards applied to address the threats when applicable; and (c) The consent obtained. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 210.9A1 | When addressing a conflict of interest, the professional accountant is encouraged to seek guidance from within the employing organization or from others, such as a professional body, legal counsel or another accountant. When making such disclosures or sharing information within the employing organization and seeking guidance of third parties, the principle of confidentiality applies. | When addressing a conflict of interest, the chartered accountant is encouraged to seek guidance from within the employing organization or from others, such as a professional body, legal counsel or another accountant. When making such disclosures or sharing information within the employing organization and seeking guidance of third parties, the principle of confidentiality applies. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 220.1 | 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. | Chartered 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. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 220.2 | Preparing or presenting information might create a self-interest, intimidation or other threats to compliance with one or more of the fundamental principles. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | Preparing or presenting information might create a self-interest, intimidation or other threats to compliance with one or more of the fundamental principles. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | No Change |
| 220.3A1 | Professional accountants at all levels in an employing organization are involved in the preparation or presentation of information both within and outside the organization. | Chartered accountants at all levels in an employing organization are involved in the preparation or presentation of information both within and outside the organization. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 220.3A2 | Stakeholders to whom, or for whom, such information is prepared or presented, include: • Management and those charged with governance. • Investors and lenders or other creditors. • Regulatory bodies. This information might assist stakeholders in understanding and evaluating aspects of the employing organization's state of affairs and in making decisions concerning the organization. Information can include financial and non-financial information that might be made public or used for internal purposes. Examples include: • Operating and performance reports. • Decision support analyses. • Budgets and forecasts. • Information provided to the internal and external auditors. • Risk analyses. • General and special purpose financial statements. • Tax returns. • Reports filed with regulatory bodies for legal and compliance purposes. | Stakeholders to whom, or for whom, such information is prepared or presented, include: • Management and those charged with governance. • Investors and lenders or other creditors. • Regulatory bodies. This information might assist stakeholders in understanding and evaluating aspects of the employing organization's state of affairs and in making decisions concerning the organization. Information can include financial and non-financial information that might be made public or used for internal purposes. Examples include: • Operating and performance reports. • Decision support analyses. • Budgets and forecasts. • Information provided to the internal and external auditors. • Risk analyses. • General and special purpose financial statements. • Tax returns. • Reports filed with regulatory bodies for legal and compliance purposes. | No Change |
| 220.3A3 | For the purposes of this section, preparing or presenting information includes recording, maintaining and approving information. | For the purposes of this section, preparing or presenting information includes recording, maintaining and approving information. | No Change |
| R220.4 | When preparing or presenting information, a professional accountant shall: (a) Prepare or present the information in accordance with a relevant reporting framework, where applicable; (b) Prepare or present the information in a manner that is intended neither to mislead nor to influence contractual or regulatory outcomes inappropriately; (c) Exercise professional judgment to: (i) Represent the facts accurately and completely in all material respects; (ii) Describe clearly the true nature of business transactions or activities; and (iii) Classify and record information in a timely and proper manner; (d) Not omit | When preparing or presenting information, a chartered accountant shall: (a) Prepare or present the information in accordance with a relevant reporting framework, where applicable; (b) Prepare or present the information in a manner that is intended neither to mislead nor to influence contractual or regulatory outcomes inappropriately; (c) Exercise professional judgment to: (i) Represent the facts accurately and completely in all material respects; (ii) Describe clearly the true nature of business transactions or activities; and (iii) Classify and record information in a timely and proper manner; (d) Not omit anything with the intention of rendering the information misleading or of influencing contractual or regulatory outcomes | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | anything with the intention of rendering the information misleading or of influencing contractual or regulatory outcomes inappropriately; (e) Avoid undue influence of, or undue reliance on, individuals, organizations or technology; and (f) Be aware of the risk of bias. | inappropriately; (e) Avoid undue influence of, or undue reliance on, individuals, organizations or technology; and (f) Be aware of the risk of bias. | |
| 220.4A1 | An example of influencing a contractual or regulatory outcome inappropriately is using an unrealistic estimate with the intention of avoiding violation of a contractual requirement such as a debt covenant or of a regulatory requirement such as a capital requirement for a financial institution. | An example of influencing a contractual or regulatory outcome inappropriately is using an unrealistic estimate with the intention of avoiding violation of a contractual requirement such as a debt covenant or of a regulatory requirement such as a capital requirement for a financial institution. | No Change |
| R220.5 | Preparing or presenting information might require the exercise of discretion in making professional judgments. The professional accountant shall not exercise such discretion with the intention of misleading others or influencing contractual or regulatory outcomes inappropriately. | Preparing or presenting information might require the exercise of discretion in making professional judgments. The chartered accountant shall not exercise such discretion with the intention of misleading others or influencing contractual or regulatory outcomes inappropriately. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 220.5A1 | Examples of ways in which discretion might be misused to achieve inappropriate outcomes include: • Determining estimates, for example, determining fair value estimates in order to misrepresent profit or loss. • Selecting or changing an accounting policy or method among two or more alternatives permitted under the applicable financial reporting framework, for example, selecting a policy for accounting for long-term contracts in order to misrepresent profit or loss. • Determining the timing of transactions, for example, timing the sale of an asset near the end of the fiscal year in order to mislead. • Determining the structuring of transactions, for example, structuring financing transactions in order to misrepresent assets and liabilities or classification of cash flows. • Selecting disclosures, for example, omitting or obscuring information relating to financial or operating risk in order to mislead. | Examples of ways in which discretion might be misused to achieve inappropriate outcomes include: • Determining estimates, for example, determining fair value estimates in order to misrepresent profit or loss. • Selecting or changing an accounting policy or method among two or more alternatives permitted under the applicable financial reporting framework, for example, selecting a policy for accounting for long-term contracts in order to misrepresent profit or loss. • Determining the timing of transactions, for example, timing the sale of an asset near the end of the fiscal year in order to mislead. • Determining the structuring of transactions, for example, structuring financing transactions in order to misrepresent assets and liabilities or classification of cash flows. • Selecting disclosures, for example, omitting or obscuring information relating to financial or operating risk in order to mislead. | No Change |
| R220.6 | When performing professional activities, especially those that do not require compliance with a relevant reporting framework, the professional accountant shall exercise professional judgment to identify and consider: (a) The purpose for which the information is to be used; (b) The | When performing professional activities, especially those that do not require compliance with a relevant reporting framework, the chartered accountant shall exercise professional judgment to identify and consider: (a) The purpose for which the information is to be used; (b) The context within which it is given; and (c) The audience to whom it is addressed. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | context within which it is given; and (c) The audience to whom it is addressed. | | |
| 220.6A1 | For example, when preparing or presenting pro forma reports, budgets or forecasts, the inclusion of relevant estimates, approximations and assumptions, where appropriate, would enable those who might rely on such information to form their own judgments. | For example, when preparing or presenting pro forma reports, budgets or forecasts, the inclusion of relevant estimates, approximations and assumptions, where appropriate, would enable those who might rely on such information to form their own judgments. | No Change |
| 220.6A2 | The professional accountant might also consider clarifying the intended audience, context and purpose of the information to be presented. | The chartered accountant might also consider clarifying the intended audience, context and purpose of the information to be presented. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R220.7 | A professional accountant who intends to use the work of others, whether internal or external to the employing organization, or other organizations, shall exercise professional judgment to determine the appropriate steps to take, if any, in order to fulfill the responsibilities set out in paragraph R220.4. | A chartered accountant who intends to rely on the work of other individuals, either internal or external to the employing organization, or other organizations shall exercise professional judgment to determine what steps to take, if any, in order to fulfill the responsibilities set out in paragraph R220.4. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 220.7A1 | Factors to consider when a professional accountant intends to use the work of others include: • The reputation and expertise of, and resources available to, the other individual or organization. • Whether the other individual is subject to applicable professional and ethics standards. Such information might be gained from prior association with, or from consulting others about, the other individual or organization. | Factors to consider in determining whether reliance on others is reasonable include: • The reputation and expertise of, and resources available to, the other individual or organization. • Whether the other individual is subject to applicable professional and ethics standards. Such information might be gained from prior association with, or from consulting others about, the other individual or organization. | Sligh change in wording |
| R220.8 | A professional accountant who intends to use the output of technology, whether that technology was developed internally or provided by third parties, shall exercise professional judgment to determine the appropriate steps to take, if any, in order to fulfill the responsibilities set out in paragraph R220.4. | When the chartered accountant knows or has reason to believe that the information with which the accountant is associated is misleading, the accountant shall take appropriate actions to seek to resolve the matter. | Reference issue, covered under IESBA 220.9A1<br><br>ICAP "Changes to the Code" |
| 220.8A1 | Factors to consider when a professional accountant intends to use the output of technology include: • The nature of the activity to be performed by the technology. • The expected use of, or extent of reliance on, the output of the technology. • Whether the accountant has the ability, or has access to an expert with the ability, to understand, | Actions that might be appropriate include: • Discussing concerns that the information is misleading with the chartered accountant's superior and/or the appropriate level(s) of management within the accountant's employing organization or those charged with governance, and requesting such individuals to take appropriate action to resolve the matter. Such action might include: o Having the | Reference issue, covered under IESBA 220.9A1<br><br>ICAP "Changes to the Code" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | use and explain the technology and its appropriateness for the purpose intended. • Whether the technology used has been appropriately tested and evaluated for the purpose intended. • Prior experience with the technology and whether its use for specific purposes is generally accepted. • The employing organization's oversight of the design, development, implementation, operation, maintenance, monitoring, updating or upgrading of the technology. • The controls relating to the use of the technology, including procedures for authorizing user access to the technology and overseeing such use. • The appropriateness of the inputs to the technology, including data and any related decisions, and decisions made by individuals in the course of using the technology. | information corrected. o If the information has already been disclosed to the intended users, informing them of the correct information. • Consulting the policies and procedures of the employing organization (for example, an ethics or whistle-blowing policy) regarding how to address such matters internally. | |
| 220.8A2 | Not Present | The chartered accountant might determine that the employing organization has not taken appropriate action. If the accountant continues to have reason to believe that the information is misleading, the following further actions might be appropriate provided that the accountant remains alert to the principle of confidentiality: • Consulting with: o A relevant professional body. o The internal or external auditor of the employing organization. o Legal counsel. • Determining whether any requirements exist to communicate to: o Third parties, including users of the information. o Regulatory and oversight authorities. | Reference issue, covered under IESBA 220.9A2 |
| R220.9 | When the professional accountant knows or has reason to believe that the information with which the accountant is associated is misleading, the accountant shall take appropriate actions to seek to resolve the matter. | If after exhausting all feasible options, the chartered accountant determines that appropriate action has not been taken and there is reason to believe that the information is still misleading, the accountant shall refuse to be or to remain associated with the information. | Reference issue, covered under IESBA 220.10<br><br>Reference issue, covered under IESBA 220.8 |
| 220.9A1 | Actions that might be appropriate include: • Discussing concerns that the information is misleading with the professional accountant's superior and/or the appropriate level(s) of management within the accountant's employing organization or those charged with governance, and requesting such individuals to take appropriate action to resolve the matter. Such action might include: Having the information corrected. o If the information has already been disclosed to the o intended users, informing them of the correct | In such circumstances, it might be appropriate for a chartered accountant to resign from the employing organization. | Carried forward from 2019<br><br>Reference issue, covered under IESBA 220.9A1 |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | information. • Consulting the policies and procedures of the employing organization (for example, an ethics or whistle-blowing policy) regarding how to address such matters internally. | | |
| 220.9A2 | The professional accountant might determine that the employing organization has not taken appropriate action. If the accountant continues to have reason to believe that the information is misleading, the following further actions might be appropriate provided that the accountant remains alert to the principle of confidentiality: • Consulting with: A relevant professional body. o The internal or external auditor of the employing o organization. Legal counsel. • Determining whether any requirements exist to communicate to: Third parties, including users of the information. o Regulatory and oversight authorities. | Not Present | Reference issue, covered under ICAP 220.8A2 |
| R220.10 | If after exhausting all feasible options, the professional accountant determines that appropriate action has not been taken and there is reason to believe that the information is still misleading, the accountant shall refuse to be or to remain associated with the information. | Not Present | Reference issue, covered under ICAP 220.9 |
| 220.10A1 | In such circumstances, it might be appropriate for a professional accountant to resign from the employing organization. | The chartered accountant is encouraged to document: • The facts. • The accounting principles or other relevant professional standards involved. • The communications and parties with whom matters were discussed. • The courses of action considered. • How the accountant attempted to address the matter(s). | |
| 220.11A1 | The professional accountant is encouraged to document: • The facts. • The accounting principles or other relevant professional standards involved. • The communications and parties with whom matters were discussed. • The courses of action considered. • How the accountant attempted to address the matter(s). | Where threats to compliance with the fundamental principles relating to the preparation or presentation of information arise from a financial interest, including compensation and incentives linked to financial reporting and decision making, the requirements and application material set out in Section 240 apply. | Referenceissue covered under IESBA 220.12 A1 |
| 220.11A2 | Not Present | Where the misleading information might involve non-compliance with laws and regulations, the requirements and application material set out in Section 260 apply. | Referenceissue covered under IESBA 220.12 A2 |

**Annexure B**

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 220.11A3 | Not Present | Where threats to compliance with the fundamental principles relating to the preparation or presentation of information arise from pressure, the requirements and application material set out in Section 270 apply. | Referenceissue covered under IESBA 220.12 A1 |
| 220.12A1 | Where threats to compliance with the fundamental principles relating to the preparation or presentation of information arise from a financial interest, including compensation and incentives linked to financial reporting and decision making, the requirements and application material set out in Section 240 apply. | **Not Present** | Referenceissue covered under ICAP 220.11 A1 |
| 220.12A2 | Where the misleading information might involve non-compliance with laws and regulations, the requirements and application material set out in Section 260 apply. | **Not Present** | Referenceissue covered under ICAP 220.11 A2 |
| 220.12A3 | Where threats to compliance with the fundamental principles relating to the preparation or presentation of information arise from pressure, the requirements and application material set out in Section 270 apply. | **Not Present** | Referenceissue covered under ICAP 220.11 A3 |
| 220.12A4 | When a professional accountant is considering using the work of others or the output of technology, a consideration is whether the accountant is in a position within the employing organization to obtain information in relation to the factors necessary to determine whether such use is appropriate. | When a chartered accountant is considering using the work of others or the output of technology, a consideration is whether the accountant is in a position within the employing organization to obtain information in relation to the factors necessary to determine whether such use is appropriate. | “Changes to the Code” section |
| 230.1 | 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. | Chartered 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. | Terminology differs: ‘chartered accountant’ vs ‘professional accountant’” |
| 230.2 | Acting without sufficient expertise creates a self-interest threat to compliance with the principle of professional competence and due care. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | Acting without sufficient expertise creates a self-interest threat to compliance with the principle of professional competence and due care. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | No Change |
| R230.3 | A professional accountant shall not intentionally mislead an employing organization as to the level of expertise or experience possessed. | A chartered accountant shall not intentionally mislead an employing organization as to the level of expertise or experience possessed. | Terminology differs: ‘chartered accountant’ vs |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | | | 'professional accountant'" |
| 230.3A1 | The principle of professional competence and due care requires that a professional accountant only undertake significant tasks for which the accountant has, or can obtain, sufficient training or experience. | The principle of professional competence and due care requires that a chartered accountant only undertake significant tasks for which the accountant has, or can obtain, sufficient training or experience. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 230.3A2 | A self-interest threat to compliance with the principle of professional competence and due care might be created if a professional accountant has: • Insufficient time for performing or completing the relevant duties. • Incomplete, restricted or otherwise inadequate information for performing the duties. • Insufficient experience, training and/or education. • Inadequate resources for the performance of the duties. | A self-interest threat to compliance with the principle of professional competence and due care might be created if a chartered accountant has: • Insufficient time for performing or completing the relevant duties. • Incomplete, restricted or otherwise inadequate information for performing the duties. • Insufficient experience, training and/or education. • Inadequate resources for the performance of the duties. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 230.3A3 | Factors that are relevant in evaluating the level of such a threat include: • The extent to which the professional accountant is working with others. • The relative seniority of the accountant in the business. • The level of supervision and review applied to the work. | Factors that are relevant in evaluating the level of such a threat include: • The extent to which the chartered accountant is working with others. • The relative seniority of the accountant in the business. • The level of supervision and review applied to the work. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 230.3A4 | Examples of actions that might be safeguards to address such a self-interest threat include: • Obtaining assistance or training from someone with the necessary expertise. • Ensuring that there is adequate time available for performing the relevant duties. | Examples of actions that might be safeguards to address such a self- interest threat include: • Obtaining assistance or training from someone with the necessary expertise. • Ensuring that there is adequate time available for performing the relevant duties. | No Change |
| R230.4 | If a threat to compliance with the principle of professional competence and due care cannot be addressed, a professional accountant shall determine whether to decline to perform the duties in question. If the accountant determines that declining is appropriate, the accountant shall communicate the reasons. | If a threat to compliance with the principle of professional competence and due care cannot be addressed, a chartered accountant shall determine whether to decline to perform the duties in question. If the accountant determines that declining is appropriate, the accountant shall communicate the reasons. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 230.5A1 | The requirements and application material in Section 270 apply when a professional accountant is pressured to act in a manner that might lead to a breach of the principle of professional competence and due care. | The requirements and application material in Section 270 apply when a chartered accountant is pressured to act in a manner that might lead to a breach of the principle of professional competence and due care. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 240.1 | Professional accountants are required to comply with the fundamental principles and apply the conceptual framework set out in | Chartered accountants are required to comply with the fundamental principles and apply the conceptual | Terminology differs: 'chartered accountant' vs |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | Section 120 to identify, evaluate and address threats. | framework set out in Section 120 to identify, evaluate and address threats. | 'professional accountant'" |
| 240.2 | Having a financial interest, or knowing of a financial interest held by an immediate or close family member might create a self-interest threat to compliance with the principles of objectivity or confidentiality. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | Having a financial interest, or knowing of a financial interest held by an immediate or close family member might create a self-interest threat to compliance with the principles of objectivity or confidentiality. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | No Change |
| R240.3 | A professional accountant shall not manipulate information or use confidential information for personal gain or for the financial gain of others. | A chartered accountant shall not manipulate information or use confidential information for personal gain or for the financial gain of others. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 240.3A1 | Professional accountants might have financial interests or might know of financial interests of immediate or close family members that, in certain circumstances, might create threats to compliance with the fundamental principles. Financial interests include those arising from compensation or incentive arrangements linked to financial reporting and decision making. | Chartered accountants might have financial interests or might know of financial interests of immediate or close family members that, in certain circumstances, might create threats to compliance with the fundamental principles. Financial interests include those arising from compensation or incentive arrangements linked to financial reporting and decision making. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 240.3A2 | Examples of circumstances that might create a self-interest threat include situations in which the professional accountant or an immediate or close family member: • Has a motive and opportunity to manipulate price-sensitive information in order to gain financially. • Holds a direct or indirect financial interest in the employing organization and the value of that financial interest might be directly affected by decisions made by the accountant. • Is eligible for a profit-related bonus and the value of that bonus might be directly affected by decisions made by the accountant. • Holds, directly or indirectly, deferred bonus share rights or share options in the employing organization, the value of which might be affected by decisions made by the accountant. • Participates in compensation arrangements which provide incentives to achieve targets or to support efforts to maximize the value of the employing organization's shares. An example of such an arrangement might be through participation in incentive plans which are | Examples of circumstances that might create a self-interest threat include situations in which the chartered accountant or an immediate or close family member: • Has a motive and opportunity to manipulate price-sensitive information in order to gain financially. • Holds a direct or indirect financial interest in the employing organization and the value of that financial interest might be directly affected by decisions made by the accountant. • Is eligible for a profit-related bonus and the value of that bonus might be directly affected by decisions made by the accountant. • Holds, directly or indirectly, deferred bonus share rights or share options in the employing organization, the value of which might be affected by decisions made by the accountant. • Participates in compensation arrangements which provide incentives to achieve targets or to support efforts to maximize the value of the employing organization's shares. An example of such an arrangement might be through participation in incentive plans which are linked to certain performance conditions being met. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | linked to certain performance conditions being met. | | |
| 240.3A3 | Factors that are relevant in evaluating the level of such a threat include: • The significance of the financial interest. What constitutes a significant financial interest will depend on personal circumstances and the materiality of the financial interest to the individual. • Policies and procedures for a committee independent of management to determine the level or form of senior management remuneration. • In accordance with any internal policies, disclosure to those charged with governance of: All relevant interests. o Any plans to exercise entitlements or trade in o relevant shares. • Internal and external audit procedures that are specific to address issues that give rise to the financial interest. | Factors that are relevant in evaluating the level of such a threat include: • The significance of the financial interest. What constitutes a significant financial interest will depend on personal circumstances and the materiality of the financial interest to the individual. • Policies and procedures for a committee independent of management to determine the level or form of senior management remuneration. • In accordance with any internal policies, disclosure to those charged with governance of: o All relevant interests. o Any plans to exercise entitlements or trade in relevant shares. • Internal and external audit procedures that are specific to address issues that give rise to the financial interest. | No Change |
| 240.3A4 | Threats created by compensation or incentive arrangements might be compounded by explicit or implicit pressure from superiors or colleagues. See Section 270, Pressure to Breach the Fundamental Principles. | Threats created by compensation or incentive arrangements might be compounded by explicit or implicit pressure from superiors or colleagues. See Section 270, Pressure to Breach the Fundamental Principles. | No Change |
| 250.1 | 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. | Chartered 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. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 250.2 | Offering or accepting inducements might create a self-interest, familiarity or intimidation threat to compliance with the fundamental principles, particularly the principles of integrity, objectivity and professional behavior. | Offering or accepting inducements might create a self-interest, familiarity or intimidation threat to compliance with the fundamental principles, particularly the principles of integrity, objectivity and professional behavior. | No Change |
| 250.3 | This section sets out requirements and application material relevant to applying the conceptual framework in relation to the offering and accepting of inducements when undertaking professional activities that does not constitute non-compliance with laws and regulations. This section also requires a professional accountant to comply with relevant laws and regulations when offering or accepting inducements. | This section sets out requirements and application material relevant to applying the conceptual framework in relation to the offering and accepting of inducements when undertaking professional activities that does not constitute non-compliance with laws and regulations. This section also requires a chartered accountant to comply with relevant laws and regulations when offering or accepting inducements. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 250.4A1 | An inducement is an object, situation, or action that is used as a means to influence | An inducement is an object, situation, or action that is used as a means to influence another individual's | |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | another individual's behavior, but not necessarily with the intent to improperly influence that individual's behavior. Inducements can range from minor acts of hospitality between business colleagues to acts that result in non-compliance with laws and regulations. An inducement can take many different forms, for example: • Gifts. • Hospitality. • Entertainment. • Political or charitable donations. • Appeals to friendship and loyalty. • Employment or other commercial opportunities. • Preferential treatment, rights or privileges. Inducements Prohibited by Laws and Regulations | behavior, but not necessarily with the intent to improperly influence that individual's behavior. Inducements can range from minor acts of hospitality between business colleagues to acts that result in non-compliance with laws and regulations. An inducement can take many different forms, for example: • Gifts. • Hospitality. • Entertainment. • Political or charitable donations. • Appeals to friendship and loyalty. • Employment or other commercial opportunities. • Preferential treatment, rights or privileges. | |
| R250.5 | In many jurisdictions, there are laws and regulations, such as those related to bribery and corruption, that prohibit the offering or accepting of inducements in certain circumstances. The professional accountant shall obtain an understanding of relevant laws and regulations and comply with them when the accountant encounters such circumstances. | In many jurisdictions, there are laws and regulations, such as those related to bribery and corruption, that prohibit the offering or accepting of inducements in certain circumstances. The chartered accountant shall obtain an understanding of relevant laws and regulations and comply with them when the accountant encounters such circumstances. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 250.6A1 | The offering or accepting of inducements that is not prohibited by laws and regulations might still create threats to compliance with the fundamental principles. | The offering or accepting of inducements that is not prohibited by laws and regulations might still create threats to compliance with the fundamental principles. | No Change |
| R250.7 | A professional accountant shall not offer, or encourage others to offer, any inducement that is made, or which the accountant considers a reasonable and informed third party would be likely to conclude is made, with the intent to improperly influence the behavior of the recipient or of another individual. | A chartered accountant shall not offer, or encourage others to offer, any inducement that is made, or which the accountant considers a reasonable and informed third party would be likely to conclude is made, with the intent to improperly influence the behavior of the recipient or of another individual. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R250.8 | A professional accountant shall not accept, or encourage others to accept, any inducement that the accountant concludes is made, or considers a reasonable and informed third party would be likely to conclude is made, with the intent to improperly influence the behavior of the recipient or of another individual. | A chartered accountant shall not accept, or encourage others to accept, any inducement that the accountant concludes is made, or considers a reasonable and informed third party would be likely to conclude is made, with the intent to improperly influence the behavior of the recipient or of another individual. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 250.9A1 | An inducement is considered as improperly influencing an individual's behavior if it causes the individual to act in an unethical manner. Such improper influence can be directed either towards the recipient or towards another individual who has some relationship with the recipient. The | An inducement is considered as improperly influencing an individual's behavior if it causes the individual to act in an unethical manner. Such improper influence can be directed either towards the recipient or towards another individual who has some relationship with the recipient. The fundamental principles are an appropriate frame of | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | fundamental principles are an appropriate frame of reference for a professional accountant in considering what constitutes unethical behavior on the part of the accountant and, if necessary by analogy, other individuals. | reference for a chartered accountant in considering what constitutes unethical behavior on the part of the accountant and, if necessary by analogy, other individuals. | |
| 250.9A2 | A breach of the fundamental principle of integrity arises when a professional accountant offers or accepts, or encourages others to offer or accept, an inducement where the intent is to improperly influence the behavior of the recipient or of another individual. | A breach of the fundamental principle of integrity arises when a chartered accountant offers or accepts, or encourages others to offer or accept, an inducement where the intent is to improperly influence the behavior of the recipient or of another individual. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 250.9A3 | The determination of whether there is actual or perceived intent to improperly influence behavior requires the exercise of professional judgment. Relevant factors to consider might include: • The nature, frequency, value and cumulative effect of the inducement. • Timing of when the inducement is offered relative to any action or decision that it might influence. • Whether the inducement is a customary or cultural practice in the circumstances, for example, offering a gift on the occasion of a religious holiday or wedding. • Whether the inducement is an ancillary part of a professional activity, for example, offering or accepting lunch in connection with a business meeting. • Whether the offer of the inducement is limited to an individual recipient or available to a broader group. The broader group might be internal or external to the employing organization, such as other customers or vendors. • The roles and positions of the individuals offering or being offered the inducement. • Whether the professional accountant knows, or has reason to believe, that accepting the inducement would breach the policies and procedures of the counterparty's employing organization. • The degree of transparency with which the inducement is offered. • Whether the inducement was required or requested by the recipient. • The known previous behavior or reputation of the offeror. | The determination of whether there is actual or perceived intent to improperly influence behavior requires the exercise of professional judgment. Relevant factors to consider might include: • The nature, frequency, value and cumulative effect of the inducement. • Timing of when the inducement is offered relative to any action or decision that it might influence. • Whether the inducement is a customary or cultural practice in the circumstances, for example, offering a gift on the occasion of a religious holiday or wedding. • Whether the inducement is an ancillary part of a professional activity, for example, offering or accepting lunch in connection with a business meeting. • Whether the offer of the inducement is limited to an individual recipient or available to a broader group. The broader group might be internal or external to the employing organization, such as other customers or vendors. • The roles and positions of the individuals offering or being offered the inducement. • Whether the chartered accountant knows, or has reason to believe, that accepting the inducement would breach the policies and procedures of the counterparty's employing organization. • The degree of transparency with which the inducement is offered. • Whether the inducement was required or requested by the recipient. • The known previous behavior or reputation of the offeror. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 250.10A1 | If the professional accountant becomes aware of an inducement offered with actual or perceived intent to improperly influence behavior, threats to compliance with the fundamental principles might still be created | If the chartered accountant becomes aware of an inducement offered with actual or perceived intent to improperly influence behavior, threats to compliance with the fundamental principles might still be created even if the requirements in paragraphs R250.7 and R250.8 are met. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | even if the requirements in paragraphs R250.7 and R250.8 are met. | | |
| 250.10A2 | Examples of actions that might be safeguards to address such threats include: • Informing senior management or those charged with governance of the employing organization of the professional accountant or the offeror regarding the offer. • Amending or terminating the business relationship with the offeror. | Examples of actions that might be safeguards to address such threats include: • Informing senior management or those charged with governance of the employing organization of the chartered accountant or the offeror regarding the offer. • Amending or terminating the business relationship with the offeror. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 250.11A1 | The requirements and application material set out in the conceptual framework apply when a professional accountant has concluded there is no actual or perceived intent to improperly influence the behavior of the recipient or of another individual. | The requirements and application material set out in the conceptual framework apply when a chartered accountant has concluded there is no actual or perceived intent to improperly influence the behavior of the recipient or of another individual. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 250.11A2 | If such an inducement is trivial and inconsequential, any threats created will be at an acceptable level. | If such an inducement is trivial and inconsequential, any threats created will be at an acceptable level. | No Change |
| 250.11A3 | Examples of circumstances where offering or accepting such an inducement might create threats even if the professional accountant has concluded there is no actual or perceived intent to improperly influence behavior include: • Self-interest threats A professional accountant is offered part-time o employment by a vendor. • Familiarity threats A professional accountant regularly takes a o customer or supplier to sporting events. • Intimidation threats A professional accountant accepts hospitality, the o nature of which could be perceived to be inappropriate were it to be publicly disclosed. | Examples of circumstances where offering or accepting such an inducement might create threats even if the chartered accountant has concluded there is no actual or perceived intent to improperly influence behavior include: • Self-interest threats o A chartered accountant is offered part-time employment by a vendor. • Familiarity threats o A chartered accountant regularly takes a customer or supplier to sporting events. • Intimidation threats o A chartered accountant accepts hospitality, the nature of which could be perceived to be inappropriate were it to be publicly disclosed. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 250.11A4 | Relevant factors in evaluating the level of such threats created by offering or accepting such an inducement include the same factors set out in paragraph 250.9 A3 for determining intent. | Relevant factors in evaluating the level of such threats created by offering or accepting such an inducement include the same factors set out in paragraph 250.9 A3 for determining intent. | No Change |
| 250.11A5 | Examples of actions that might eliminate threats created by offering or accepting such an inducement include: • Declining or not offering the inducement. • Transferring responsibility for any business-related decision involving the counterparty to another individual who the professional accountant has no reason to believe would | Examples of actions that might eliminate threats created by offering or accepting such an inducement include: • Declining or not offering the inducement. • Transferring responsibility for any business-related decision involving the counterparty to another individual who the chartered accountant has no reason to believe would be, or would be perceived to be, improperly influenced in making the decision. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | be, or would be perceived to be, improperly influenced in making the decision. | | |
| 250.11A6 | Examples of actions that might be safeguards to address such threats created by offering or accepting such an inducement include: • Being transparent with senior management or those charged with governance of the employing organization of the professional accountant or of the counterparty about offering or accepting an inducement. • Registering the inducement in a log maintained by the employing organization of the accountant or the counterparty. • Having an appropriate reviewer, who is not otherwise involved in undertaking the professional activity, review any work performed or decisions made by the accountant with respect to the individual or organization from which the accountant accepted the inducement. • Donating the inducement to charity after receipt and appropriately disclosing the donation, for example, to those charged with governance or the individual who offered the inducement. • Reimbursing the cost of the inducement, such as hospitality, received. • As soon as possible, returning the inducement, such as a gift, after it was initially accepted. | Examples of actions that might be safeguards to address such threats created by offering or accepting such an inducement include: • Being transparent with senior management or those charged with governance of the employing organization of the chartered accountant or of the counterparty about offering or accepting an inducement. • Registering the inducement in a log maintained by the employing organization of the accountant or the counterparty. • Having an appropriate reviewer, who is not otherwise involved in undertaking the professional activity, review any work performed or decisions made by the accountant with respect to the individual or organization from which the accountant accepted the inducement. • Donating the inducement to charity after receipt and appropriately disclosing the donation, for example, to those charged with governance or the individual who offered the inducement. • Reimbursing the cost of the inducement, such as hospitality, received. • As soon as possible, returning the inducement, such as a gift, after it was initially accepted. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R250.12 | A professional accountant shall remain alert to potential threats to the accountant's compliance with the fundamental principles created by the offering of an inducement: (a) By an immediate or close family member of the accountant to a counterparty with whom the accountant has a professional relationship; or (b) To an immediate or close family member of the accountant by a counterparty with whom the accountant has a professional relationship. | A chartered accountant shall remain alert to potential threats to the accountant's compliance with the fundamental principles created by the offering of an inducement: (a) By an immediate or close family member of the accountant to a counterparty with whom the accountant has a professional relationship; or (b) To an immediate or close family member of the accountant by a counterparty with whom the accountant has a professional relationship. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R250.13 | Where the professional accountant becomes aware of an inducement being offered to or made by an immediate or close family member and concludes there is intent to improperly influence the behavior of the accountant or of the counterparty, or considers a reasonable and informed third party would be likely to conclude such intent exists, the accountant shall advise the immediate or close family member not to offer or accept the inducement. | Where the chartered accountant becomes aware of an inducement being offered to or made by an immediate or close family member and concludes there is intent to improperly influence the behavior of the accountant or of the counterparty, or considers a reasonable and informed third party would be likely to conclude such intent exists, the accountant shall advise the immediate or close family member not to offer or accept the inducement. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 250.13A1 | The factors set out in paragraph 250.9 A3 are relevant in determining whether there is actual or perceived intent to improperly influence the behavior of the professional accountant or of the counterparty. Another factor that is relevant is the nature or closeness of the relationship, between: (a) The accountant and the immediate or close family member; (b) The immediate or close family member and the counterparty; and (c) The accountant and the counterparty. For example, the offer of employment, outside of the normal recruitment process, to the spouse of the accountant by a counterparty with whom the accountant is negotiating a significant contract might indicate such intent. | The factors set out in paragraph 250.9 A3 are relevant in determining whether there is actual or perceived intent to improperly influence the behavior of the chartered accountant or of the counterparty. Another factor that is relevant is the nature or closeness of the relationship, between: (a) The accountant and the immediate or close family member; (b) The immediate or close family member and the counterparty; and (c) The accountant and the counterparty. For example, the offer of employment, outside of the normal recruitment process, to the spouse of the accountant by a counterparty with whom the accountant is negotiating a significant contract might indicate such intent. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 250.13A2 | The application material in paragraph 250.10 A2 is also relevant in addressing threats that might be created when there is actual or perceived intent to improperly influence the behavior of the professional accountant or of the counterparty even if the immediate or close family member has followed the advice given pursuant to paragraph R250.13. | The application material in paragraph 250.10 A2 is also relevant in addressing threats that might be created when there is actual or perceived intent to improperly influence the behavior of the chartered accountant or of the counterparty even if the immediate or close family member has followed the advice given pursuant to paragraph R250.13 | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 250.14A1 | Where the professional accountant becomes aware of an inducement offered in the circumstances addressed in paragraph R250.12, threats to compliance with the fundamental principles might be created where: (a) The immediate or close family member offers or accepts the inducement contrary to the advice of the accountant pursuant to paragraph R250.13; or (b) The accountant does not have reason to believe an actual or perceived intent to improperly influence the behavior of the accountant or of the counterparty exists. | Where the chartered accountant becomes aware of an inducement offered in the circumstances addressed in paragraph R250.12, threats to compliance with the fundamental principles might be created where: (a) The immediate or close family member offers or accepts the inducement contrary to the advice of the accountant pursuant to paragraph R250.13; or (b) The accountant does not have reason to believe an actual or perceived intent to improperly influence the behavior of the accountant or of the counterparty exists. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 250.14A2 | The application material in paragraphs 250.11 A1 to 250.11 A6 is relevant for the purposes of identifying, evaluating and addressing such threats. Factors that are relevant in evaluating the level of threats in these circumstances also include the nature or closeness of the relationships set out in paragraph 250.13 A1. | The application material in paragraphs 250.11 A1 to 250.11 A6 is relevant for the purposes of identifying, evaluating and addressing such threats. Factors that are relevant in evaluating the level of threats in these circumstances also include the nature or closeness of the relationships set out in paragraph 250.13 A1 | No Change |
| 250.15A1 | If a professional accountant is offered an inducement by the employing organization relating to financial interests, compensation and incentives linked to performance, the | If a chartered accountant is offered an inducement by the employing organization relating to financial interests, compensation and incentives linked to | Terminology differs: 'chartered accountant' vs |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | requirements and application material set out in Section 240 apply. | performance, the requirements and application material set out in Section 240 apply. | 'professional accountant'" |
| 250.15A2 | If a professional accountant encounters or is made aware of inducements that might result in non-compliance or suspected non-compliance with laws and regulations by other individuals working for or under the direction of the employing organization, the requirements and application material set out in Section 260 apply. | If a chartered accountant encounters or is made aware of inducements that might result in non-compliance or suspected non- compliance with laws and regulations by other individuals working for or under the direction of the employing organization, the requirements and application material set out in Section 260 apply. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 250.15A3 | If a professional accountant faces pressure to offer or accept inducements that might create threats to compliance with the fundamental principles, the requirements and application material set out in Section 270 apply. | If a chartered accountant faces pressure to offer or accept inducements that might create threats to compliance with the fundamental principles, the requirements and application material set out in Section 270 apply. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 260.1 | 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. | Chartered 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. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 260.2 | A self-interest or intimidation threat to compliance with the principles of integrity and professional behavior is created when a professional accountant becomes aware of non-compliance or suspected non-compliance with laws and regulations. | A self-interest or intimidation threat to compliance with the principles of integrity and professional behavior is created when a chartered accountant becomes aware of non-compliance or suspected non- compliance with laws and regulations. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 260.3 | A professional accountant might encounter or be made aware of non-compliance or suspected non-compliance in the course of carrying out professional activities. This section guides the accountant in assessing the implications of the matter and the possible courses of action when responding to non-compliance or suspected non-compliance with: (a) Laws and regulations generally recognized to have a direct effect on the determination of material amounts and disclosures in the employing organization's financial statements; and (b) Other laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the employing organization's financial statements, but compliance with which might be fundamental to the operating aspects of the employing organization's business, to its ability to continue its business, or to avoid material penalties. | A chartered accountant might encounter or be made aware of non- compliance or suspected non-compliance in the course of carrying out professional activities. This section guides the accountant in assessing the implications of the matter and the possible courses of action when responding to non-compliance or suspected non-compliance with: (a) Laws and regulations generally recognized to have a direct effect on the determination of material amounts and disclosures in the employing organization's financial statements; and (b) Other laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the employing organization's financial statements, but compliance with which might be fundamental to the operating aspects of the employing organization's business, to its ability to continue its business, or to avoid material penalties. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 260.4 | A distinguishing mark of the accountancy profession is its acceptance of the responsibility to act in the public interest. When responding to non-compliance or suspected non- compliance, the objectives of the professional accountant are: (a) To comply with the principles of integrity and professional behavior; (b) By alerting management or, where appropriate, those charged with governance of the employing organization, to seek to: (i) Enable them to rectify, remediate or mitigate the consequences of the identified or suspected non- compliance; or (ii) Deter the non-compliance where it has not yet occurred; and (c) To take such further action as appropriate in the public interest. | A distinguishing mark of the accountancy profession is its acceptance of the responsibility to act in the public interest. When responding to non- compliance or suspected non-compliance, the objectives of the chartered accountant are: (a) To comply with the principles of integrity and professional behavior; (b) By alerting management or, where appropriate, those charged with governance of the employing organization, to seek to: (i) Enable them to rectify, remediate or mitigate the consequences of the identified or suspected non- compliance; or (ii) Deter the non-compliance where it has not yet occurred; and (c) To take such further action as appropriate in the public interest. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 260.5A1 | Non-compliance with laws and regulations ("non-compliance") comprises acts of omission or commission, intentional or unintentional, which are contrary to the prevailing laws or regulations committed by the following parties: (a) The professional accountant's employing organization; (b) Those charged with governance of the employing organization; (c) Management of the employing organization; or (d) Other individuals working for or under the direction of the employing organization. | Non-compliance with laws and regulations ("non-compliance") comprises acts of omission or commission, intentional or unintentional, which are contrary to the prevailing laws or regulations committed by the following parties: (a) The chartered accountant's employing organization; (b) Those charged with governance of the employing organization; (c) Management of the employing organization; or (d) Other individuals working for or under the direction of the employing organization. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 260.5A2 | Examples of laws and regulations which this section addresses include those that deal with: • Fraud, corruption and bribery. • Money laundering, terrorist financing and proceeds of crime. • Securities markets and trading. • Banking and other financial products and services. • Data protection. • Tax and pension liabilities and payments. • Environmental protection. • Public health and safety. | Examples of laws and regulations which this section addresses include those that deal with: • Fraud, corruption and bribery. • Money laundering, terrorist financing and proceeds of crime. • Securities markets and trading. • Banking and other financial products and services. • Data protection. • Tax and pension liabilities and payments. • Environmental protection. • Public health and safety. | No Change |
| 260.5A3 | Non-compliance might result in fines, litigation or other consequences for the employing organization, potentially materially affecting its financial statements. Importantly, such non-compliance might have wider public interest implications in terms of potentially substantial harm to investors, creditors, employees or the general public. For the purposes of this section, non-compliance that causes substantial harm is one that results in serious adverse consequences to any of these parties in financial or non-financial terms. Examples include the perpetration of | Non-compliance might result in fines, litigation or other consequences for the employing organization, potentially materially affecting its financial statements. Importantly, such non-compliance might have wider public interest implications in terms of potentially substantial harm to investors, creditors, employees or the general public. For the purposes of this section, non-compliance that causes substantial harm is one that results in serious adverse consequences to any of these parties in financial or non-financial terms. Examples include the perpetration of a fraud resulting in significant financial losses to investors, and breaches of | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | a fraud resulting in significant financial losses to investors, and breaches of environmental laws and regulations endangering the health or safety of employees or the public. | environmental laws and regulations endangering the health or safety of employees or the public. | |
| R260.6 | In some jurisdictions, there are legal or regulatory provisions governing how professional accountants are required to address non-compliance or suspected non-compliance. These legal or regulatory provisions might differ from or go beyond the provisions in this section. When encountering such non- compliance or suspected non-compliance, the accountant shall obtain an understanding of those legal or regulatory provisions and comply with them, including: (a) Any requirement to report the matter to an appropriate authority; and (b) Any prohibition on alerting the relevant party. | In some jurisdictions, there are legal or regulatory provisions governing how chartered accountants are required to address non-compliance or suspected non-compliance. These legal or regulatory provisions might differ from or go beyond the provisions in this section. When encountering such non-compliance or suspected non-compliance, the accountant shall obtain an understanding of those legal or regulatory provisions and comply with them, including: (a) Any requirement to report the matter to an appropriate authority; and (b) Any prohibition on alerting the relevant party. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 260.6A1 | A prohibition on alerting the relevant party might arise, for example, pursuant to anti-money laundering legislation. | A prohibition on alerting the relevant party might arise, for example, pursuant to anti-money laundering legislation. | No Change |
| 260.7A1 | This section applies regardless of the nature of the employing organization, including whether or not it is a public interest entity. | This section applies regardless of the nature of the employing organization, including whether or not it is a public interest entity. | No Change |
| 260.7A2 | A professional accountant who encounters or is made aware of matters that are clearly inconsequential is not required to comply with this section. Whether a matter is clearly inconsequential is to be judged with respect to its nature and its impact, financial or otherwise, on the employing organization, its stakeholders and the general public. | A chartered accountant who encounters or is made aware of matters that are clearly inconsequential is not required to comply with this section. Whether a matter is clearly inconsequential is to be judged with respect to its nature and its impact, financial or otherwise, on the employing organization, its stakeholders and the general public. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 260.7A3 | This section does not address: (a) Personal misconduct unrelated to the business activities of the employing organization; and (b) Non-compliance by parties other than those specified in paragraph 260.5 A1. The professional accountant might nevertheless find the guidance in this section helpful in considering how to respond in these situations. | This section does not address: (a) Personal misconduct unrelated to the business activities of the employing organization; and (b) Non-compliance by parties other than those specified in paragraph 260.5 A1. The chartered accountant might nevertheless find the guidance in this section helpful in considering how to respond in these situations. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 260.8A1 | The employing organization's management, with the oversight of those charged with governance, is responsible for ensuring that the employing organization's business activities are conducted in accordance with | The employing organization's management, with the oversight of those charged with governance, is responsible for ensuring that the employing organization's business activities are conducted in accordance with laws and regulations. Management | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | laws and regulations. Management and those charged with governance are also responsible for identifying and addressing any non-compliance by: (a) The employing organization; (b) An individual charged with governance of the employing organization; (c) A member of management; or (d) Other individuals working for or under the direction of the employing organization. | and those charged with governance are also responsible for identifying and addressing any non-compliance by: (a) The employing organization; (b) An individual charged with governance of the employing organization; (c) A member of management; or (d) Other individuals working for or under the direction of the employing organization. | |
| R260.9 | If protocols and procedures exist within the professional accountant's employing organization to address non-compliance or suspected non-compliance, the accountant shall consider them in determining how to respond to such non-compliance. | If protocols and procedures exist within the chartered accountant's employing organization to address non-compliance or suspected non-compliance, the accountant shall consider them in determining how to respond to such non-compliance. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 260.9A1 | Many employing organizations have established protocols and procedures regarding how to raise non-compliance or suspected non-compliance internally. These protocols and procedures include, for example, an ethics policy or internal whistle-blowing mechanism. Such protocols and procedures might allow matters to be reported anonymously through designated channels. | Many employing organizations have established protocols and procedures regarding how to raise non-compliance or suspected non- compliance internally. These protocols and procedures include, for example, an ethics policy or internal whistle-blowing mechanism. Such protocols and procedures might allow matters to be reported anonymously through designated channels. | No Change |
| R260.10 | Where a professional accountant becomes aware of a matter to which this section applies, the steps that the accountant takes to comply with this section shall be taken on a timely basis. For the purpose of taking timely steps, the accountant shall have regard to the nature of the matter and the potential harm to the interests of the employing organization, investors, creditors, employees or the general public. | Where a chartered accountant becomes aware of a matter to which this section applies, the steps that the accountant takes to comply with this section shall be taken on a timely basis. For the purpose of taking timely steps, the accountant shall have regard to the nature of the matter and the potential harm to the interests of the employing organization, investors, creditors, employees or the general public. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 260.11A1 | Senior professional accountants in business ("senior professional accountants") are directors, officers or senior employees able to exert significant influence over, and make decisions regarding, the acquisition, deployment and control of the employing organization's human, financial, technological, physical and intangible resources. There is a greater expectation for such individuals to take whatever action is appropriate in the public interest to respond to non-compliance or suspected non-compliance than other professional accountants within the employing organization. This is because of senior professional accountants' roles, positions | Senior chartered accountants in business ("senior chartered accountants") are directors, officers or senior employees able to exert significant influence over, and make decisions regarding, the acquisition, deployment and control of the employing organization's human, financial, technological, physical and intangible resources. There is a greater expectation for such individuals to take whatever action is appropriate in the public interest to respond to non-compliance or suspected non-compliance than other chartered accountants within the employing organization. This is because of senior chartered accountants' roles, positions and spheres of influence within the employing organization. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| | and spheres of influence within the employing organization. | | |
| R260.12 | If, in the course of carrying out professional activities, a senior professional accountant becomes aware of information concerning non-compliance or suspected non-compliance, the accountant shall obtain an understanding of the matter. This understanding shall include: (a) The nature of the non-compliance or suspected non-compliance and the circumstances in which it has occurred or might occur; (b) The application of the relevant laws and regulations to the circumstances; and (c) An assessment of the potential consequences to the employing organization, investors, creditors, employees or the wider public. | If, in the course of carrying out professional activities, a senior chartered accountant becomes aware of information concerning non-compliance or suspected non-compliance, the accountant shall obtain an understanding of the matter. This understanding shall include: (a) The nature of the non-compliance or suspected non-compliance and the circumstances in which it has occurred or might occur; (b) The application of the relevant laws and regulations to the circumstances; and (c) An assessment of the potential consequences to the employing organization, investors, creditors, employees or the wider public. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 260.12A1 | A senior professional accountant is expected to apply knowledge and expertise, and exercise professional judgment. However, the accountant is not expected to have a level of understanding of laws and regulations greater than that which is required for the accountant's role within the employing organization. Whether an act constitutes non-compliance is ultimately a matter to be determined by a court or other appropriate adjudicative body. | A senior chartered accountant is expected to apply knowledge and expertise, and exercise professional judgment. However, the accountant is not expected to have a level of understanding of laws and regulations greater than that which is required for the accountant's role within the employing organization. Whether an act constitutes non- compliance is ultimately a matter to be determined by a court or other appropriate adjudicative body. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 260.12A2 | Depending on the nature and significance of the matter, the senior professional accountant might cause, or take appropriate steps to cause, the matter to be investigated internally. The accountant might also consult on a confidential basis with others within the employing organization or a professional body, or with legal counsel. | Depending on the nature and significance of the matter, the senior chartered accountant might cause, or take appropriate steps to cause, the matter to be investigated internally. The accountant might also consult on a confidential basis with others within the employing organization or a professional body, or with legal counsel. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R260.13 | If the senior professional accountant identifies or suspects that non-compliance has occurred or might occur, the accountant shall, subject to paragraph R260.9, discuss the matter with the accountant's immediate superior, if any. If the accountant's immediate superior appears to be involved in the matter, the accountant shall discuss the matter with the next higher level of authority within the employing organization. | If the senior chartered accountant identifies or suspects that non- compliance has occurred or might occur, the accountant shall, subject to paragraph R260.9, discuss the matter with the accountant's immediate superior, if any. If the accountant's immediate superior appears to be involved in the matter, the accountant shall discuss the matter with the next higher level of authority within the employing organization. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 260.13A1 | The purpose of the discussion is to enable a determination to be made as to how to address the matter. | The purpose of the discussion is to enable a determination to be made as to how to address the matter. | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| R260.14 | The senior professional accountant shall also take appropriate steps to: (a) Have the matter communicated to those charged with governance; (b) Comply with applicable laws and regulations, including legal or regulatory provisions governing the reporting of non-compliance or suspected non-compliance to an appropriate authority; (c) Have the consequences of the non-compliance or suspected non-compliance rectified, remediated or mitigated; (d) Reduce the risk of re-occurrence; and (e) Seek to deter the commission of the non-compliance if it has not yet occurred. | The senior chartered accountant shall also take appropriate steps to: (a) Have the matter communicated to those charged with governance; (b) Comply with applicable laws and regulations, including legal or regulatory provisions governing the reporting of non- compliance or suspected non-compliance to an appropriate authority; (c) Have the consequences of the non-compliance or suspected non-compliance rectified, remediated or mitigated; (d) Reduce the risk of re-occurrence; and (e) Seek to deter the commission of the non-compliance if it has not yet occurred. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 260.14A1 | The purpose of communicating the matter to those charged with governance is to obtain their concurrence regarding appropriate actions to take to respond to the matter and to enable them to fulfill their responsibilities. | The purpose of communicating the matter to those charged with governance is to obtain their concurrence regarding appropriate actions to take to respond to the matter and to enable them to fulfill their responsibilities. | No Change |
| 260.14A2 | Some laws and regulations might stipulate a period within which reports of non-compliance or suspected non-compliance are to be made to an appropriate authority. | Some laws and regulations might stipulate a period within which reports of non-compliance or suspected non-compliance are to be made to an appropriate authority. | No Change |
| R260.15 | In addition to responding to the matter in accordance with the provisions of this section, the senior professional accountant shall determine whether disclosure of the matter to the employing organization's external auditor, if any, is needed. | In addition to responding to the matter in accordance with the provisions of this section, the senior chartered accountant shall determine whether disclosure of the matter to the employing organization's external auditor, if any, is needed. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 260.15A1 | Such disclosure would be pursuant to the senior professional accountant's duty or legal obligation to provide all information necessary to enable the auditor to perform the audit. | Such disclosure would be pursuant to the senior chartered accountant's duty or legal obligation to provide all information necessary to enable the auditor to perform the audit. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R260.16 | The senior professional accountant shall assess the appropriateness of the response of the accountant's superiors, if any, and those charged with governance. | The senior chartered accountant shall assess the appropriateness of the response of the accountant's superiors, if any, and those charged with governance. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 260.16A1 | Relevant factors to consider in assessing the appropriateness of the response of the senior professional accountant's superiors, if any, and those charged with governance include whether: • The response is timely. • They have taken or authorized appropriate action to seek to rectify, remediate or mitigate the consequences of the non-compliance, or to avert the non-compliance | Relevant factors to consider in assessing the appropriateness of the response of the senior chartered accountant's superiors, if any, and those charged with governance include whether: • The response is timely. • They have taken or authorized appropriate action to seek to rectify, remediate or mitigate the consequences of the non- compliance, or to avert the non-compliance if it has not yet occurred. • The matter has been disclosed to an | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | if it has not yet occurred. • The matter has been disclosed to an appropriate authority where appropriate and, if so, whether the disclosure appears adequate. | appropriate authority where appropriate and, if so, whether the disclosure appears adequate. | |
| R260.17 | In light of the response of the senior professional accountant's superiors, if any, and those charged with governance, the accountant shall determine if further action is needed in the public interest. | In light of the response of the senior chartered accountant's superiors, if any, and those charged with governance, the accountant shall determine if further action is needed in the public interest. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 260.17A1 | The determination of whether further action is needed, and the nature and extent of it, will depend on various factors, including: • The legal and regulatory framework. • The urgency of the situation. • The pervasiveness of the matter throughout the employing organization. • Whether the senior professional accountant continues to have confidence in the integrity of the accountant's superiors and those charged with governance. • Whether the non-compliance or suspected non- compliance is likely to recur. • Whether there is credible evidence of actual or potential substantial harm to the interests of the employing organization, investors, creditors, employees or the general public. | The determination of whether further action is needed, and the nature and extent of it, will depend on various factors, including: • The legal and regulatory framework. • The urgency of the situation. • The pervasiveness of the matter throughout the employing organization. • Whether the senior chartered accountant continues to have confidence in the integrity of the accountant's superiors and those charged with governance. • Whether the non-compliance or suspected non-compliance is likely to recur. • Whether there is credible evidence of actual or potential substantial harm to the interests of the employing organization, investors, creditors, employees or the general public. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 260.17A2 | Examples of circumstances that might cause the senior professional accountant no longer to have confidence in the integrity of the accountant's superiors and those charged with governance include situations where: • The accountant suspects or has evidence of their involvement or intended involvement in any non- compliance. • Contrary to legal or regulatory requirements, they have not reported, or authorized the reporting of, the matter to an appropriate authority within a reasonable period. | Examples of circumstances that might cause the senior chartered accountant no longer to have confidence in the integrity of the accountant's superiors and those charged with governance include situations where: • The accountant suspects or has evidence of their involvement or intended involvement in any non-compliance. • Contrary to legal or regulatory requirements, they have not reported, or authorized the reporting of, the matter to an appropriate authority within a reasonable period. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R260.18 | The senior professional accountant shall exercise professional judgment in determining the need for, and nature and extent of, further action. In making this determination, the accountant shall take into account whether a reasonable and informed third party would be likely to conclude that the accountant has acted appropriately in the public interest. | The senior chartered accountant shall exercise professional judgment in determining the need for, and nature and extent of, further action. In making this determination, the accountant shall take into account whether a reasonable and informed third party would be likely to conclude that the accountant has acted appropriately in the public interest. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 260.18A1 | Further action that the senior professional accountant might take includes: • Informing the management of the parent entity of the | Further action that the senior chartered accountant might take includes: • Informing the management of the parent entity of the matter if the employing | Terminology differs: 'chartered accountant' vs |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | matter if the employing organization is a member of a group. • Disclosing the matter to an appropriate authority even when there is no legal or regulatory requirement to do so. • Resigning from the employing organization. | organization is a member of a group. • Disclosing the matter to an appropriate authority even when there is no legal or regulatory requirement to do so. • Resigning from the employing organization. | 'professional accountant'" |
| 260.18A2 | Resigning from the employing organization is not a substitute for taking other actions that might be needed to achieve the senior professional accountant's objectives under this section. In some jurisdictions, however, there might be limitations as to the further actions available to the accountant. In such circumstances, resignation might be the only available course of action. | Resigning from the employing organization is not a substitute for taking other actions that might be needed to achieve the senior chartered accountant's objectives under this section. In some jurisdictions, however, there might be limitations as to the further actions available to the accountant. In such circumstances, resignation might be the only available course of action. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 260.19A1 | As assessment of the matter might involve complex analysis and judgments, the senior professional accountant might consider: • Consulting internally. • Obtaining legal advice to understand the accountant's options and the professional or legal implications of taking any particular course of action. • Consulting on a confidential basis with a regulatory or professional body. | As assessment of the matter might involve complex analysis and judgments, the senior chartered accountant might consider: • Consulting internally. • Obtaining legal advice to understand the accountant's options and the professional or legal implications of taking any particular course of action. • Consulting on a confidential basis with a regulatory or professional body. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 260.20A1 | Disclosure of the matter to an appropriate authority would be precluded if doing so would be contrary to law or regulation. Otherwise, the purpose of making disclosure is to enable an appropriate authority to cause the matter to be investigated and action to be taken in the public interest. | Disclosure of the matter to an appropriate authority would be precluded if doing so would be contrary to law or regulation. Otherwise, the purpose of making disclosure is to enable an appropriate authority to cause the matter to be investigated and action to be taken in the public interest. | No Change |
| 260.20A2 | The determination of whether to make such a disclosure depends in particular on the nature and extent of the actual or potential harm that is or might be caused by the matter to investors, creditors, employees or the general public. For example, the senior professional accountant might determine that disclosure of the matter to an appropriate authority is an appropriate course of action if: • The employing organization is engaged in bribery (for example, of local or foreign government officials for purposes of securing large contracts). • The employing organization is regulated and the matter is of such significance as to threaten its license to operate. • The employing organization is listed on a securities exchange and the matter might result in adverse consequences to the fair and orderly market | The determination of whether to make such a disclosure depends in particular on the nature and extent of the actual or potential harm that is or might be caused by the matter to investors, creditors, employees or the general public. For example, the senior chartered accountant might determine that disclosure of the matter to an appropriate authority is an appropriate course of action if: • The employing organization is engaged in bribery (for example, of local or foreign government officials for purposes of securing large contracts). • The employing organization is regulated and the matter is of such significance as to threaten its license to operate. • The employing organization is listed on a securities exchange and the matter might result in adverse consequences to the fair and orderly market in the employing organization's securities or pose a systemic risk to the financial markets. • It is likely that the employing organization would sell products that are harmful to public health or safety. • The | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | in the employing organization's securities or pose a systemic risk to the financial markets. • It is likely that the employing organization would sell products that are harmful to public health or safety. • The employing organization is promoting a scheme to its clients to assist them in evading taxes. | employing organization is promoting a scheme to its clients to assist them in evading taxes. | |
| 260.20A3 | The determination of whether to make such a disclosure will also depend on external factors such as: • Whether there is an appropriate authority that is able to receive the information, and cause the matter to be investigated and action to be taken. The appropriate authority will depend upon the nature of the matter. For example, the appropriate authority would be a securities regulator in the case of fraudulent financial reporting or an environmental protection agency in the case of a breach of environmental laws and regulations. • Whether there exists robust and credible protection from civil, criminal or professional liability or retaliation afforded by legislation or regulation, such as under whistle-blowing legislation or regulation. • Whether there are actual or potential threats to the physical safety of the senior professional accountant or other individuals. | The determination of whether to make such a disclosure will also depend on external factors such as: • Whether there is an appropriate authority that is able to receive the information, and cause the matter to be investigated and action to be taken. The appropriate authority will depend upon the nature of the matter. For example, the appropriate authority would be a securities regulator in the case of fraudulent financial reporting or an environmental protection agency in the case of a breach of environmental laws and regulations. • Whether there exists robust and credible protection from civil, criminal or professional liability or retaliation afforded by legislation or regulation, such as under whistle-blowing legislation or regulation. • Whether there are actual or potential threats to the physical safety of the senior chartered accountant or other individuals. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R260.21 | If the senior professional accountant determines that disclosure of the matter to an appropriate authority is an appropriate course of action in the circumstances, that disclosure is permitted pursuant to paragraph R114.3 of the Code. When making such disclosure, the accountant shall act in good faith and exercise caution when making statements and assertions. | If the senior chartered accountant determines that disclosure of the matter to an appropriate authority is an appropriate course of action in the circumstances, that disclosure is permitted pursuant to paragraph R114.1(d) of the Code. When making such disclosure, the accountant shall act in good faith and exercise caution when making statements and assertions. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R260.22 | In exceptional circumstances, the senior professional accountant might become aware of actual or intended conduct that the accountant has reason to believe would constitute an imminent breach of a law or regulation that would cause substantial harm to investors, creditors, employees or the general public. Having first considered whether it would be appropriate to discuss the matter with management or those charged with governance of the employing organization, the accountant shall exercise professional judgment and determine whether to disclose the matter immediately to an appropriate authority in order to prevent or mitigate the consequences of | In exceptional circumstances, the senior chartered accountant might become aware of actual or intended conduct that the accountant has reason to believe would constitute an imminent breach of a law or regulation that would cause substantial harm to investors, creditors, employees or the general public. Having first considered whether it would be appropriate to discuss the matter with management or those charged with governance of the employing organization, the accountant shall exercise professional judgment and determine whether to disclose the matter immediately to an appropriate authority in order to prevent or mitigate the consequences of such imminent breach. If disclosure is made, that disclosure is permitted pursuant to paragraph R114.1(d) of the Code. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | such imminent breach. If disclosure is made, that disclosure is permitted pursuant to paragraph R114.3 of the Code. | | |
| 260.23A1 | In relation to non-compliance or suspected non-compliance that falls within the scope of this section, the senior professional accountant is encouraged to have the following matters documented: • The matter. • The results of discussions with the accountant's superiors, if any, and those charged with governance and other parties. • How the accountant's superiors, if any, and those charged with governance have responded to the matter. • The courses of action the accountant considered, the judgments made and the decisions that were taken. • How the accountant is satisfied that the accountant has fulfilled the responsibility set out in paragraph R260.17. | In relation to non-compliance or suspected non-compliance that falls within the scope of this section, the senior chartered accountant is encouraged to have the following matters documented: • The matter. • The results of discussions with the accountant's superiors, if any, and those charged with governance and other parties. • How the accountant's superiors, if any, and those charged with governance have responded to the matter. • The courses of action the accountant considered, the judgments made and the decisions that were taken. • How the accountant is satisfied that the accountant has fulfilled the responsibility set out in paragraph R260.17. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R260.24 | If, in the course of carrying out professional activities, a professional accountant becomes aware of information concerning non-compliance or suspected non-compliance, the accountant shall seek to obtain an understanding of the matter. This understanding shall include the nature of the non- compliance or suspected non-compliance and the circumstances in which it has occurred or might occur. | If, in the course of carrying out professional activities, a chartered accountant becomes aware of information concerning non-compliance or suspected non-compliance, the accountant shall seek to obtain an understanding of the matter. This understanding shall include the nature of the non-compliance or suspected non-compliance and the circumstances in which it has occurred or might occur. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 260.24A1 | The professional accountant is expected to apply knowledge and expertise, and exercise professional judgment. However, the accountant is not expected to have a level of understanding of laws and regulations greater than that which is required for the accountant's role within the employing organization. Whether an act constitutes non-compliance is ultimately a matter to be determined by a court or other appropriate adjudicative body. | The chartered accountant is expected to apply knowledge and expertise, and exercise professional judgment. However, the accountant is not expected to have a level of understanding of laws and regulations greater than that which is required for the accountant's role within the employing organization. Whether an act constitutes non-compliance is ultimately a matter to be determined by a court or other appropriate adjudicative body. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 260.24A2 | Depending on the nature and significance of the matter, the professional accountant might consult on a confidential basis with others within the employing organization or a professional body, or with legal counsel. | Depending on the nature and significance of the matter, the chartered accountant might consult on a confidential basis with others within the employing organization or a professional body, or with legal counsel. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R260.25 | If the professional accountant identifies or suspects that non- compliance has occurred or might occur, the accountant shall, subject to paragraph R260.9, inform an immediate superior to enable the superior to take | If the chartered accountant identifies or suspects that non- compliance has occurred or might occur, the accountant shall, subject to paragraph R260.9, inform an immediate superior to enable the superior to take appropriate action. If the accountant's | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | appropriate action. If the accountant's immediate superior appears to be involved in the matter, the accountant shall inform the next higher level of authority within the employing organization. | immediate superior appears to be involved in the matter, the accountant shall inform the next higher level of authority within the employing organization. | |
| R260.26 | In exceptional circumstances, the professional accountant may determine that disclosure of the matter to an appropriate authority is an appropriate course of action. If the accountant does so pursuant to paragraphs 260.20 A2 and A3, that disclosure is permitted pursuant to paragraph R114.3 of the Code. When making such disclosure, the accountant shall act in good faith and exercise caution when making statements and assertions. | In exceptional circumstances, the chartered accountant may determine that disclosure of the matter to an appropriate authority is an appropriate course of action. If the accountant does so pursuant to paragraphs 260.20 A2 and A3, that disclosure is permitted pursuant to paragraph R114.1(d) of the Code. When making such disclosure, the accountant shall act in good faith and exercise caution when making statements and assertions. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 260.27A1 | In relation to non-compliance or suspected non-compliance that falls within the scope of this section, the professional accountant is encouraged to have the following matters documented: • The matter. • The results of discussions with the accountant's superior, management and, where applicable, those charged with governance and other parties. • How the accountant's superior has responded to the matter. • The courses of action the accountant considered, the judgments made and the decisions that were taken. | In relation to non-compliance or suspected non-compliance that falls within the scope of this section, the chartered accountant is encouraged to have the following matters documented: • The matter. • The results of discussions with the accountant's superior, management and, where applicable, those charged with governance and other parties. • How the accountant's superior has responded to the matter. • The courses of action the accountant considered, the judgments made and the decisions that were taken. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 270.1 | 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. | Chartered 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. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 270.2 | Pressure exerted on, or by, a professional accountant might create an intimidation or other threat to compliance with one or more of the fundamental principles. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | Pressure exerted on, or by, a chartered accountant might create an intimidation or other threat to compliance with one or more of the fundamental principles. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R270.3 | A professional accountant shall not: (a) Allow pressure from others to result in a breach of compliance with the fundamental principles; or (b) Place pressure on others that the accountant knows, or has reason to believe, would result in the other individuals breaching the fundamental principles. | A chartered accountant shall not: (a) Allow pressure from others to result in a breach of compliance with the fundamental principles; or (b) Place pressure on others that the accountant knows, or has reason to believe, would result in the other individuals breaching the fundamental principles. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 270.3A1 | A professional accountant might face pressure that creates threats to compliance with the fundamental principles, for example an intimidation threat, when undertaking a professional activity. Pressure might be explicit or implicit and might come from: • Within the employing organization, for example, from a colleague or superior. • An external individual or organization such as a vendor, customer or lender. • Internal or external targets and expectations. | A chartered accountant might face pressure that creates threats to compliance with the fundamental principles, for example an intimidation threat, when undertaking a professional activity. Pressure might be explicit or implicit and might come from: • Within the employing organization, for example, from a colleague or superior. • An external individual or organization such as a vendor, customer or lender. • Internal or external targets and expectations. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 270.3A2 | Examples of pressure that might result in threats to compliance with the fundamental principles include: • Pressure related to conflicts of interest: Pressure from a family member bidding to act as a o vendor to the professional accountant's employing organization to select the family member over another prospective vendor. See also Section 210, Conflicts of Interest. • Pressure to influence preparation or presentation of information: Pressure to report misleading financial results to o meet investor, analyst or lender expectations. Pressure from elected officials on public sector o accountants to misrepresent programs or projects to voters. Pressure from colleagues to misstate income, o expenditure or rates of return to bias decision- making on capital projects and acquisitions. Pressure from superiors to approve or process o expenditures that are not legitimate business expenses. Pressure to suppress internal audit reports o containing adverse findings. See also Section 220, Preparation and Presentation of Information. • Pressure to act without sufficient expertise or due care: Pressure from superiors to inappropriately reduce o the extent of work performed. Pressure from superiors to perform a task without o sufficient skills or training or within unrealistic deadlines. See also Section 230, Acting with Sufficient Expertise. • Pressure related to financial interests: Pressure from superiors, colleagues or others, for o example, those who might benefit from participation in compensation or incentive arrangements to manipulate performance indicators. See also Section 240, Financial Interests, Compensation and Incentives Linked to Financial Reporting and Decision Making. • Pressure related to inducements: Pressure from others, either internal or external to o the employing organization, to offer inducements to influence inappropriately the | Examples of pressure that might result in threats to compliance with the fundamental principles include: • Pressure related to conflicts of interest: o Pressure from a family member bidding to act as a vendor to the chartered accountant's employing organization to select the family member over another prospective vendor. See also Section 210, Conflicts of Interest. • Pressure to influence preparation or presentation of information: o Pressure to report misleading financial results to meet investor, analyst or lender expectations. o Pressure from elected officials on public sector accountants to misrepresent programs or projects to voters. o Pressure from colleagues to misstate income, expenditure or rates of return to bias decision-making on capital projects and acquisitions. o Pressure from superiors to approve or process expenditures that are not legitimate business expenses. o Pressure to suppress internal audit reports containing adverse findings. See also Section 220, Preparation and Presentation of Information. • Pressure to act without sufficient expertise or due care: o Pressure from superiors to inappropriately reduce the extent of work performed. o Pressure from superiors to perform a task without sufficient skills or training or within unrealistic deadlines. See also Section 230, Acting with Sufficient Expertise. • Pressure related to financial interests: o Pressure from superiors, colleagues or others, for example, those who might benefit from participation in compensation or incentive arrangements to manipulate performance indicators. See also Section 240, Financial Interests, Compensation and Incentives Linked to Financial Reporting and Decision Making. • Pressure related to inducements: o Pressure from others, either internal or external to the employing organization, to offer inducements to influence inappropriately the judgment or decision making process of an individual or organization. o Pressure from colleagues to accept a bribe or other inducement, for example to accept inappropriate gifts or entertainment from potential vendors in a bidding process. See also Section 250, Inducements, Including Gifts and Hospitality. • Pressure related to | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | judgment or decision making process of an individual or organization. Pressure from colleagues to accept a bribe or other o inducement, for example to accept inappropriate gifts or entertainment from potential vendors in a bidding process. See also Section 250, Inducements, Including Gifts and Hospitality. • Pressure related to non-compliance with laws and regulations: Pressure to structure a transaction to evade tax. o See also Section 260, Responding to Non-compliance with Laws and Regulations. • Pressure related to level of fees: Pressure exerted by a professional accountant on o another professional accountant to provide professional services at a fee level that does not allow for sufficient and appropriate resources (including human, technological and intellectual resources) to perform the services in accordance with technical and professional standards. See also Section 330, Fees and Other Types of Remuneration | non-compliance with laws and regulations: o Pressure to structure a transaction to evade tax. See also Section 260, Responding to Non-compliance with Laws and Regulations. • Pressure related to level of fees: o Pressure exerted by a chartered accountant on another chartered accountant to provide professional services at a fee level that does not allow for sufficient and appropriate resources (including human, technological and intellectual resources) to perform the services in accordance with technical and professional standards. | |
| 270.3A3 | Factors that are relevant in evaluating the level of threats created by pressure include: • The intent of the individual who is exerting the pressure and the nature and extent of the pressure. • The application of laws, regulations, and professional standards to the circumstances. • The culture and leadership of the employing organization including the extent to which they reflect or emphasize the importance of ethical behavior and the expectation that employees will act ethically. For example, a corporate culture that tolerates unethical behavior might increase the likelihood that the pressure would result in a threat to compliance with the fundamental principles. • Policies and procedures, if any, that the employing organization has established, such as ethics or human resources policies that address pressure. | Factors that are relevant in evaluating the level of threats created by pressure include: • The intent of the individual who is exerting the pressure and the nature and extent of the pressure. • The application of laws, regulations, and professional standards to the circumstances. • The culture and leadership of the employing organization including the extent to which they reflect or emphasize the importance of ethical behavior and the expectation that employees will act ethically. For example, a corporate culture that tolerates unethical behavior might increase the likelihood that the pressure would result in a threat to compliance with the fundamental principles. • Policies and procedures, if any, that the employing organization has established, such as ethics or human resources policies that address pressure. | No Change |
| 270.3A4 | Discussing the circumstances creating the pressure and consulting with others about those circumstances might assist the professional accountant to evaluate the level of the threat. Such discussion and consultation, which requires being alert to the principle of confidentiality, might include: • Discussing the matter with the individual who is exerting the pressure to seek to resolve it. • Discussing the matter with the accountant's superior, if the superior is not | Discussing the circumstances creating the pressure and consulting with others about those circumstances might assist the chartered accountant to evaluate the level of the threat. Such discussion and consultation, which requires being alert to the principle of confidentiality, might include: • Discussing the matter with the individual who is exerting the pressure to seek to resolve it. • Discussing the matter with the accountant's superior, if the superior is not the individual exerting the pressure. • Escalating the matter within the | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| | the individual exerting the pressure. • Escalating the matter within the employing organization, including when appropriate, explaining any consequential risks to the organization, for example with: Higher levels of management. o Internal or external auditors. o Those charged with governance. o • Disclosing the matter in line with the employing organization's policies, including ethics and whistleblowing policies, using any established mechanism, such as a confidential ethics hotline. • Consulting with: A colleague, superior, human resources personnel, o or another professional accountant; Relevant professional or regulatory bodies or o industry associations; or Legal counsel. | employing organization, including when appropriate, explaining any consequential risks to the organization, for example with: o Higher levels of management. o Internal or external auditors. o Those charged with governance. • Disclosing the matter in line with the employing organization's policies, including ethics and whistleblowing policies, using any established mechanism, such as a confidential ethics hotline. • Consulting with: o A colleague, superior, human resources personnel, or another chartered accountant; o Relevant professional or regulatory bodies or industry associations; or o Legal counsel. | |
| 270.3A5 | An example of an action that might eliminate threats created by pressure is the professional accountant's request for a restructure of, or segregation of, certain responsibilities and duties so that the accountant is no longer involved with the individual or entity exerting the pressure. | An example of an action that might eliminate threats created by pressure is the chartered accountant's request for a restructure of, or segregation of, certain responsibilities and duties so that the accountant is no longer involved with the individual or entity exerting the pressure. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 270.4A1 | The professional accountant is encouraged to document: • The facts. • The communications and parties with whom these matters were discussed. • The courses of action considered. • How the matter was addressed. | The chartered accountant is encouraged to document: • The facts. • The communications and parties with whom these matters were discussed. • The courses of action considered. • How the matter was addressed. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 280.1 | 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. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 280.2 | Performing tax planning activities might create self-interest, self- review, advocacy or intimidation threats to compliance with the fundamental principles. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 280.3 | This section sets out requirements and application material relevant to applying the conceptual framework in relation to the performance of tax planning activities. This section also requires a professional accountant to comply with relevant tax laws and regulations when performing such activities. | **Not Present** | New insertion in IESBA 2025 – Tax planning |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| 280.4A1 | Professional accountants play an important role in tax planning by contributing their expertise and experience to assist employing organizations in meeting their tax planning goals while complying with tax laws and regulations. In doing so, accountants help to facilitate a more efficient and effective operation of a jurisdiction's tax system, which is in the public interest. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 280.4A2 | Employing organizations are entitled to organize their affairs for tax planning purposes. While there are a variety of ways to achieve such purposes, employing organizations have a responsibility to pay taxes as determined by the relevant tax laws and regulations. In this regard, professional accountants' role is to use their expertise and experience to assist their employing organizations in achieving their tax planning goals and meeting their tax obligations. However, when accountants provide such assistance, it might involve certain tax minimization arrangements that, although not prohibited by tax laws and regulations, might create threats to compliance with the fundamental principles. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 280.4A3 | It is ultimately for a tribunal, court or other appropriate adjudicative body to determine whether a tax planning arrangement complies with the relevant tax laws and regulations. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 280.5A1 | Tax planning activities are advisory activities designed to assist an employing organization in planning or structuring its affairs in a tax-efficient manner. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 280.5A2 | Tax planning activities cover a broad range of topics or areas. Examples of such activities include: • Advising management on structuring the employing organization's international operations to minimize its overall taxes. • Advising on the structuring of transfer pricing arrangements, taking into account tax-related transfer pricing guidelines. • Advising management on the utilization of losses in a tax- efficient manner for the employing organization. • Advising the employing organization on the structuring of its capital distribution strategy in a tax-efficient manner. • Advising management on structuring the employing organization's compensation strategy for | **Not Present** | New insertion in IESBA 2025 – Tax planning |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | senior executives to optimize the tax benefits for the employing organization. • Advising a non-profit employing organization on how to structure its business to avoid breaching its non-profit status. • Advising management on structuring the employing organization's investments to take advantage of tax incentives offered by jurisdictions or localities. | | |
| 280.5A3 | Tax planning activities do not include activities that are generally referred to as tax compliance or tax preparation, which are activities to assist the employing organization in fulfilling its filing, reporting, payment and other obligations under tax laws and regulations. However, if a tax activity comprises both tax planning and tax compliance, the portion that relates to tax planning is covered by this section. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 280.5A4 | This section applies regardless of the nature of the employing organization, including whether it is a public interest entity. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 280.6A1 | There might be circumstances where a professional accountant is involved in performing a related activity for an employing organization that is based on or linked to a tax planning arrangement developed by a third-party provider. In such circumstances, the provisions of this section apply to the underlying tax planning arrangement. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 280.6A2 | Examples of such related activities include: • Assisting the employing organization in resolving a dispute with the tax authority on the tax planning arrangement. • Representing the employing organization in administrative or court proceedings regarding the tax planning arrangement. • Implementing the tax planning arrangement for the employing organization. • Advising the employing organization on an acquisition where the valuation depends on the tax planning arrangement established by the target. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 280.7A1 | This section does not address tax evasion, which is illegal. | **Not Present** | New insertion in IESBA 2025 – Tax planning |

**Annexure B**

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| R280.8 | Where there are laws and regulations, including those that might be referred to as anti-avoidance rules, that limit or prohibit certain tax planning arrangements, a professional accountant shall obtain an understanding of those laws and regulations and advise the employing organization to comply with them when performing tax planning activities. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 280.8A1 | If, in the course of performing a tax planning activity, a professional accountant becomes aware of tax evasion or suspected tax evasion, or other non-compliance or suspected non-compliance with tax laws and regulations by an employing organization, management, those charged with governance or other individuals working for or under the direction of the employing organization, the requirements and application material set out in Section 260 apply. | Not Present | New insertion in IESBA 2025 – Tax planning |
| 280.9A1 | In relation to tax planning, management, with the oversight of those charged with governance, has a number of responsibilities, including: • Ensuring that the employing organization's tax affairs are conducted in accordance with the relevant tax laws and regulations. • Maintaining all the books and records and implementing the systems of internal control necessary to enable the employing organization to fulfill its tax compliance obligations. • Engaging experts to advise on relevant aspects of the tax planning arrangement. • Deciding whether to accept and implement the professional accountant's recommendation or advice on a tax planning arrangement. • Authorizing the submission of the employing organization's tax returns and dealing with the relevant tax authorities in a timely manner. • Making such disclosures to the relevant tax authorities as might be required by tax laws and regulations or as might be necessary to support a tax position, including details of any tax planning arrangements. • Making appropriate disclosure of tax strategy, policies or other tax-related matters in the financial statements or other relevant public documents in accordance with applicable reporting requirements. • Ensuring that the employing organization's tax planning arrangements are consistent with any publicly disclosed tax strategy or policies. | Not Present | New insertion in IESBA 2025 – Tax planning |

**Annexure B**

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| R280.10 | As part of performing a tax planning activity for an employing organization, the professional accountant shall obtain an understanding of the nature of the tax planning activity, including: (a) The purpose, facts and circumstances of the tax planning arrangement; and (b) The relevant tax laws and regulations. | Not Present | New insertion in IESBA 2025 – Tax planning |
| 280.11A1 | A professional accountant is expected to apply professional competence and due care in accordance with Subsection 113 when performing a tax planning activity. The accountant is also expected to have an inquiring mind and exercise professional judgment in accordance with Section 120 when considering the specific facts and circumstances relating to the tax planning activity. | Not Present | New insertion in IESBA 2025 – Tax planning |
| R280.12 | A professional accountant shall recommend or otherwise advise on a tax planning arrangement for an employing organization only if the accountant has determined that there is a credible basis in laws and regulations for the arrangement. | Not Present | New insertion in IESBA 2025 – Tax planning |
| 280.12A1 | The determination of whether there is a credible basis involves the exercise of professional judgment by the professional accountant. This determination will vary from jurisdiction to jurisdiction based on the relevant laws and regulations at the time. | Not Present | New insertion in IESBA 2025 – Tax planning |
| 280.12A2 | If the professional accountant determines that the tax planning arrangement does not have a credible basis in laws and regulations, paragraph R280.12 does not preclude the accountant from explaining to the accountant's immediate superior or other responsible individual within the employing organization the accountant's rationale for the determination or advising on an alternative arrangement that has a credible basis. | Not Present | New insertion in IESBA 2025 – Tax planning |
| 280.12A3 | Paragraph R280.12 also does not preclude the professional accountant from assisting the employing organization to remediate or rectify a tax planning arrangement which lacks a credible basis. Such type of activity is a related activity as described in paragraphs 280.6 A1 and A2. This includes, for example: • Assisting the employing organization to restructure a tax planning | | New insertion in IESBA 2025 – Tax planning |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | arrangement to achieve a credible basis as part of a tax dispute resolution activity. • Agreeing with the employing organization appropriate changes to the tax planning arrangement to achieve a credible basis as part of representing the employing organization in administrative or court proceedings. | | |
| 280.12A4 | Examples of actions that a professional accountant might take to determine that there is a credible basis in relation to a particular tax planning arrangement include: • Reviewing the relevant facts and circumstances, including the economic purpose and substance of the arrangement. • Assessing the reasonableness of any assumptions. • Reviewing the relevant tax legislation. • Reviewing legislative proceedings that discuss the intent of the relevant tax legislation. • Reviewing relevant literature such as court decisions, professional or industry journals, and tax authority rulings or guidance. • Considering whether the basis used for the proposed arrangement is an established practice that has not been challenged by the relevant tax authorities. • Considering how likely the proposed arrangement would be accepted by the relevant tax authorities if all the relevant facts and circumstances were disclosed. • Consulting with legal counsel or other experts within or outside the employing organization regarding what a reasonable interpretation of the relevant tax laws and regulations might be. • Consulting with the relevant tax authorities, where applicable. | Not Present | New insertion in IESBA 2025 – Tax planning |
| R280.13 | If the professional accountant becomes aware of circumstances that might impact the previous determination of the credible basis, the accountant shall re-assess the validity of that basis. | Not Present | New insertion in IESBA 2025 – Tax planning |
| R280.14 | In addition to determining that there is a credible basis for the tax planning arrangement, the professional accountant shall exercise professional judgment and consider the reputational, commercial and wider economic consequences that could arise from the way stakeholders might view the arrangement. | Not Present | New insertion in IESBA 2025 – Tax planning |

**Annexure B**

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 280.14A1 | The reputational and commercial consequences might relate to personal or business implications to the employing organization or implications to the reputation of the employing organization and the profession from a prolonged dispute with the relevant tax or other authorities. The implications to the employing organization might involve adverse publicity, costs, fines or penalties, loss of management time over a significant period, and potential adverse consequences for the employing organization. | Not Present | New insertion in IESBA 2025 – Tax planning |
| 280.14A2 | An awareness of the wider economic consequences might take into account the professional accountant's general understanding of the current economic environment and the impact of the tax planning arrangement on the tax base of the jurisdiction, or the relative impacts of the arrangement on the tax bases of multiple jurisdictions, where the employing organization operates. | Not Present | New insertion in IESBA 2025 – Tax planning |
| R280.15 | If, having considered the matters set out in paragraph R280.14, the professional accountant decides not to recommend or otherwise advise on a tax planning arrangement that the employing organization would like to pursue, the accountant shall inform management and, if appropriate, those charged with governance, of this and explain the basis for the accountant's conclusion. | Not Present | New insertion in IESBA 2025 – Tax planning |
| 280.16A1 | There might be circumstances where a professional accountant becomes aware that an employing organization is obtaining a tax benefit from accounting for the same transaction in more than one jurisdiction, especially if there is no tax treaty between the jurisdictions. In such circumstances, while the employing organization might be in compliance with the tax laws and regulations of each jurisdiction, the accountant might advise management to disclose to the relevant tax authorities the particular facts and circumstances and the tax benefits derived from the transaction in the different jurisdictions. | Not Present | New insertion in IESBA 2025 – Tax planning |
| 280.16A2 | Relevant factors the professional accountant might consider in determining whether to make such disclosure include: • | Not Present | New insertion in IESBA 2025 – Tax planning |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | The significance of the tax benefits in the relevant jurisdictions. • Stakeholders' perceptions of the employing organization if the facts and circumstances were known to the stakeholders. • Whether there are globally or nationally accepted principles or practices regarding disclosure of similar situations to the tax authorities in the relevant jurisdictions. | | |
| 280.17A1 | In determining whether there is a credible basis for the tax planning arrangement, a professional accountant might encounter circumstances giving rise to uncertainty as to whether a proposed tax planning arrangement will be in compliance with the relevant tax laws and regulations. Such uncertainty makes it more challenging for the accountant to determine that there is a credible basis in laws and regulations for the tax planning arrangement and might, therefore, create threats to compliance with the fundamental principles. | Not Present | New insertion in IESBA 2025 – Tax planning |
| 280.17A2 | Circumstances that might give rise to uncertainty include: • Difficulty in establishing an adequate factual basis. • Difficulty in establishing an adequate basis of assumptions. • Lack of clarity in the tax laws and regulations and their interpretation, including: Gaps in the tax laws and regulations. o Challenges to previous court rulings. o Conflicting tax laws and regulations in different o jurisdictions in circumstances involving cross-border transactions. Innovative business models not addressed by the o current tax laws and regulations. Recent court or tax authority rulings or positions that o cast doubt on similar tax planning arrangements. Complexity in interpreting or applying the tax laws o and regulations from a technical or legal point of view. Lack of a legal precedent, ruling or position. o • Lack of clarity regarding the economic purpose and substance of the tax planning arrangement. • Lack of clarity about the ultimate beneficiaries of the tax planning arrangement. | Not Present | New insertion in IESBA 2025 – Tax planning |
| R280.18 | Where there is uncertainty as to whether a tax planning arrangement is or will be in compliance with the relevant tax laws and regulations, a professional accountant shall discuss the uncertainty with management | Not Present | New insertion in IESBA 2025 – Tax planning |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | and, if appropriate, those charged with governance. | | |
| 280.18A1 | The discussion serves a number of purposes, including: • Explaining the professional accountant's assessment about how likely the relevant tax authorities are to have a view that supports the tax planning arrangement where there is a lack of clarity in the interpretation of the relevant tax laws and regulations. • Considering any assumptions made when establishing the basis on which the tax planning advice is provided. • Obtaining any additional information from management and, if appropriate, those charged with governance that might reduce the uncertainty. • Discussing any reputational, commercial or wider economic consequences in pursuing the tax planning arrangement. • Discussing potential courses of action to mitigate the possibility of adverse consequences for the employing organization, including consideration of disclosure to the relevant tax authorities. | Not Present | New insertion in IESBA 2025 – Tax planning |
| 280.19A1 | Performing a tax planning activity for an employing organization might create a self-interest, self-review, advocacy or intimidation threat. For example: • A self-review threat might be created when a professional accountant has recently performed a valuation activity for the employing organization for tax purposes, the output of which is then relied upon or is a key input to a tax planning activity for the employing organization. • A self-interest threat might be created when a professional accountant's career advancement prospects depend on developing a creative tax planning arrangement for which the interpretation of the relevant tax laws and regulations is unclear. • A self-interest threat might be created when a professional accountant participates in an incentive compensation scheme impacted by the accountant's design of a tax planning arrangement. • A self-interest threat might be created when a professional accountant is in possession of confidential information obtained from the accountant's involvement in formulating or drafting tax policy, laws or regulations for a government agency and the confidential information would be valuable in advising the accountant's employing organization in its tax planning | Not Present | New insertion in IESBA 2025 – Tax planning |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | arrangements. • Self-interest and advocacy threats might be created when a professional accountant advocates an employing organization's position in a tax planning arrangement which the accountant previously advised on before a tax authority when there are indications that the arrangement might not have a credible basis in laws and regulations. • Self-interest and intimidation threats might be created when a dominant owner or leader of the employing organization exerts significant influence over the design of a particular tax arrangement, in a way that might influence the accountant's determination that there is a credible basis for the arrangement in laws and regulations. • Self-interest and intimidation threats might be created when a professional accountant faces potential dismissal over the position the employing organization is insisting on pursuing regarding a tax planning arrangement. | | |
| 280.19A2 | Factors that are relevant in evaluating the level of such threats include: • The degree of transparency regarding the underlying business transaction or circumstances, including, where applicable, the identity of the ultimate beneficiaries. • Whether the tax planning arrangement has a clear economic purpose and substance based on the underlying business transaction or circumstances. • The nature and complexity of the underlying business transaction or circumstances. • The complexity or clarity of the relevant tax laws and regulations. • Whether the professional accountant knows, or has reason to believe, that the tax planning arrangement would be contrary to the intent of the relevant tax legislation. • The number of jurisdictions involved and the nature of their tax regimes. • The extent of the professional accountant's expertise and experience in the relevant tax areas. • The significance of the potential tax savings. • The nature and significance of any incentives offered to the professional accountant to develop the arrangement. • The extent to which the professional accountant is aware that the tax planning arrangement reflects an established practice that has not been challenged by the relevant tax authorities. • Whether there is pressure being exerted on the professional accountant. • The degree of urgency in implementing the tax planning arrangement. • Whether it is a tax planning arrangement | Not Present | New insertion in IESBA 2025 – Tax planning |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | used for multiple clients with little modification for the employing organization's specific circumstances. • The organizational culture of the employing organization. | | |
| 280.19A3 | Examples of actions that might eliminate such threats include: • Advising the employing organization to structure the tax planning arrangement so that it is consistent with an existing interpretation or ruling issued by the relevant tax authorities. • Obtaining an advance ruling from the relevant tax or other authorities, where possible. • Advising management not to pursue the tax planning arrangement. | Not Present | New insertion in IESBA 2025 – Tax planning |
| 280.19A4 | Examples of actions that might be safeguards to address such threats include: • Establishing the identity of the ultimate beneficiaries. • Advising the employing organization to structure the tax planning arrangement so that it better aligns with the underlying economic purpose and substance. • Advising the employing organization to structure the tax planning arrangement based on an established practice that is currently not subject to challenge by the relevant tax authorities or is known to have been accepted by the relevant tax authorities. • Consulting with a legal counsel or other expert within or outside the employing organization in the relevant tax areas. • Obtaining an opinion from an appropriately qualified professional (such as legal counsel or another professional accountant) regarding the interpretation of the relevant tax laws and regulations as applied to the particular circumstances. • Having a tax expert, who is not otherwise involved in the tax planning activity, review any work performed or conclusions reached by the professional accountant with respect to the tax planning arrangement. • Having the employing organization provide full transparency about the tax planning arrangement to the relevant tax authorities, including the goals, business and legal aspects, and ultimate beneficiaries of the tax planning arrangement. | Not Present | New insertion in IESBA 2025 – Tax planning |
| 280.19A5 | Examples of steps a professional accountant might take to establish the identity of the ultimate beneficiaries include: • Making inquiries of management and others within or outside the employing | Not Present | New insertion in IESBA 2025 – Tax planning |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | organization, having regard to the principle of confidentiality. • Reviewing the employing organization's tax records, financial statements and other relevant corporate records. • Researching relevant public records. | | |
| R280.20 | A professional accountant shall explain to management and, if appropriate, those charged with governance the basis on which the accountant recommended or otherwise advised on a tax planning arrangement to the employing organization. | Not Present | New insertion in IESBA 2025 – Tax planning |
| R280.21 | If the professional accountant disagrees with the accountant's immediate superior or other responsible individual within the employing organization that a tax planning arrangement that the employing organization would like to pursue has a credible basis, the accountant shall: (a) Inform the immediate superior or other responsible individual within the employing organization, and appropriate, those charged with governance, of the accountant's assessment; (b) Communicate to them the potential consequences of pursuing the arrangement; and (c) Advise them not to pursue the arrangement. | Not Present | New insertion in IESBA 2025 – Tax planning |
| R280.22 | If the immediate superior or other responsible individual within the employing organization decides to pursue the tax planning arrangement, despite the professional accountant's advice to the contrary, the accountant shall consider: (a) Taking steps to have the details of the arrangement and the difference of views communicated with the next higher level of authority within the employing organization and, if appropriate, those charged with governance; (b) Advising the employing organization to make full disclosure of the arrangement to the relevant tax authorities; and (c) Communicating the details of the arrangement and the difference of views to the employing organization's external auditor, if any. | Not Present | New insertion in IESBA 2025 – Tax planning |
| 280.22A1 | In light of the response of the immediate superior or other responsible individual within the employing organization to the professional accountant's advice, the accountant might also consider whether | Not Present | New insertion in IESBA 2025 – Tax planning |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | there is a need to resign from the employing organization. | | |
| 280.22A2 | Many employing organizations have established protocols and procedures regarding how to raise ethical or other concerns internally. These protocols and procedures include, for example, an ethics policy or internal whistle-blowing mechanism. Such protocols and procedures might allow matters to be reported anonymously through designated channels. | Not Present | New insertion in IESBA 2025 – Tax planning |
| 280.23A1 | When performing a tax planning activity, a professional accountant is encouraged to document on a timely basis: • The purpose, circumstances and substance of the tax planning arrangement. • The identity of the ultimate beneficiaries. • The nature of any uncertainties. • The accountant's analysis, the courses of action considered, the judgments made, and the conclusions reached in advising the employing organization on developing the tax planning arrangement. • The results of discussions with the accountant's immediate superior and appropriate levels of management, those charged with governance and other parties. • The response of the accountant's immediate superior, management and, where applicable, those charged with governance to the accountant's advice. • Any disagreement with the accountant's immediate superior, management and, where applicable, those charged with governance. | Not Present | New insertion in IESBA 2025 – Tax planning |
| 280.23A2 | Preparing such documentation assists the accountant to: • Consider the reputational, commercial and wider economic consequences that could arise from the way stakeholders might view the arrangement. • Develop the accountant's analysis of the facts, circumstances, relevant tax laws and regulations and any assumptions made or changed. • Record the basis of the professional judgments at the time they were made or changed. • Support the position if the tax planning arrangement is challenged by the relevant tax authorities. • Demonstrate that the accountant has complied with the provisions in this section. | Not Present | New insertion in IESBA 2025 – Tax planning |
| 300.1 | This Part of the Code sets out requirements and application material for professional | This Part of the Code sets out requirements and application material for chartered accountants in | Terminology differs: 'chartered |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | accountants in public practice when applying the conceptual framework set out in Section 120. It does not describe all of the facts and circumstances, including professional activities, interests and relationships, that could be encountered by professional accountants in public practice, which create or might create threats to compliance with the fundamental principles. Therefore, the conceptual framework requires professional accountants in public practice to be alert for such facts and circumstances. | practice when applying the conceptual framework set out in Section 120. It does not describe all of the facts and circumstances, including professional activities, interests and relationships, that could be encountered by chartered accountants in practice, which create or might create threats to compliance with the fundamental principles. Therefore, the conceptual framework requires chartered accountants in practice to be alert for such facts and circumstances. | accountant' vs 'professional accountant'" |
| 300.2 | The requirements and application material that apply to professional accountants in public practice are set out in: • Part 3 – Professional Accountants in Public Practice, Sections 300 to 399, which applies to all professional accountants in public practice, whether they provide assurance services or not. • International Independence Standards as follows: Part 4A – Independence for Audit and Review o Engagements, Sections 400 to 899, which applies to professional accountants in public practice when performing audit and review engagements. Part 4B – Independence for Assurance o Engagements Other than Audit and Review Engagements, Sections 900 to 999, which applies to professional accountants in public practice when performing assurance engagements other than audit or review engagements. | The requirements and application material that apply to chartered accountants in practice are set out in: • Part 3 – Chartered Accountant in Practice, Sections 300 to 399, which applies to all chartered accountants in practice, whether they provide assurance services or not. • International Independence Standards as follows: o Part 4A – Independence for Audit and Review Engagements, Sections 400 to 899, which applies to chartered accountants in practice when performing audit and review engagements. o Part 4B – Independence for Assurance Engagements Other than Audit and Review Engagements, Sections 900 to 999, which applies to chartered accountants in practice when performing assurance engagements other than audit or review engagements. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 300.3 | In this Part, the term "professional accountant" refers to individual professional accountants in public practice and their firms. | In this Part, the term "chartered accountant" refers to individual chartered accountants in practice and their firms. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R300.4 | A professional accountant shall comply with the fundamental principles set out in Section 110 and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to compliance with the fundamental principles. | A chartered accountant shall comply with the fundamental principles set out in Section 110 and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to compliance with the fundamental principles. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 300.5 | When dealing with an ethics issue, the professional accountant shall consider the context in which the issue has arisen or might arise. Where an individual who is a professional accountant in public practice is performing professional activities pursuant to the accountant's relationship with the firm, | When dealing with an ethics issue, the professional accountant shall consider the context in which the issue has arisen or might arise. Where an individual who is a professional accountant in public practice is performing professional activities pursuant to the accountant's relationship with the firm, whether as a contractor, employee or owner, the individual shall | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | whether as a contractor, employee or owner, the individual shall comply with the provisions in Part 2 that apply to these circumstances. | comply with the provisions in Part 2 that apply to these circumstances. | |
| 300.5A1 | Examples of situations in which the provisions in Part 2 apply to a professional accountant in public practice include: • Facing a conflict of interest when being responsible for selecting a vendor for the firm when an immediate family member of the accountant might benefit financially from the contract. The requirements and application material set out in Section 210 apply in these circumstances. • Preparing or presenting financial information for the accountant's client or firm. The requirements and application material set out in Section 220 apply in these circumstances. • Being offered an inducement such as being regularly offered complimentary tickets to attend sporting events by a supplier of the firm. The requirements and application material set out in Section 250 apply in these circumstances. • Facing pressure from an engagement partner to report chargeable hours inaccurately for a client engagement. The requirements and application material set out in Section 270 apply in these circumstances. | Examples of situations in which the provisions in Part 2 apply to a chartered accountant in practice include: • Facing a conflict of interest when being responsible for selecting a vendor for the firm when an immediate family member of the accountant might benefit financially from the contract. The requirements and application material set out in Section 210 apply in these circumstances. • Preparing or presenting financial information for the accountant's client or firm. The requirements and application material set out in Section 220 apply in these circumstances. • Being offered an inducement such as being regularly offered complimentary tickets to attend sporting events by a supplier of the firm. The requirements and application material set out in Section 250 apply in these circumstances. • Facing pressure from an engagement partner to report chargeable hours inaccurately for a client engagement. The requirements and application material set out in Section 270 apply in these circumstances. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 300.5A2 | The more senior the position of a professional accountant, the greater will be the ability and opportunity to access information, and to influence policies, decisions made and actions taken by others involved with the firm. To the extent that they are able to do so, taking into account their position and seniority in the firm, accountants are expected to encourage and promote an ethics- based culture in the firm and exhibit ethical behavior in dealings with individuals with whom, and entities with which, the accountant or the firm has a professional or business relationship in accordance with paragraph 120.13 A3. Examples of actions that might be taken include the introduction, implementation and oversight of: • Ethics education and training programs. • Firm processes and performance evaluation and reward criteria that promote an ethical culture. • Ethics and whistle-blowing policies. • Policies and procedures designed to prevent non-compliance with laws and regulations. | The more senior the position of a chartered accountant, the greater will be the ability and opportunity to access information, and to influence policies, decisions made and actions taken by others involved with the firm. To the extent that they are able to do so, taking into account their position and seniority in the firm, accountants are expected to encourage and promote an ethics-based culture in the firm and exhibit ethical behavior in dealings with individuals with whom, and entities with which, the accountant or the firm has a professional or business relationship in accordance with paragraph 120.13 A3. Examples of actions that might be taken include the introduction, implementation and oversight of: • Ethics education and training programs. • Firm processes and performance evaluation and reward criteria that promote an ethical culture. • Ethics and whistle-blowing policies. • Policies and procedures designed to prevent non-compliance with laws and regulations. | "Changes to the Code" section |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 300.6A1 | Threats to compliance with the fundamental principles might be created by a broad range of facts and circumstances. The categories of threats are described in paragraph 120.6 A3. The following are examples of facts and circumstances within each of those categories of threats that might create threats for a professional accountant when undertaking a professional service: (a) Self-interest Threats • A professional accountant having a direct financial interest in a client. • A professional accountant quoting a low fee to obtain a new engagement and the fee is so low that it might be difficult to perform the professional service in accordance with applicable technical and professional standards for that price. • A professional accountant having a close business relationship with a client. • A professional accountant having access to confidential information that might be used for personal gain. • A professional accountant discovering a significant error when evaluating the results of a previous professional service performed by a member of the accountant's firm. (b) Self-review Threats • A professional accountant issuing an assurance report on the effectiveness of the operation of financial systems after implementing the systems. • A professional accountant having prepared the original data used to generate records that are the subject matter of the assurance engagement. (c) Advocacy Threats • A professional accountant promoting the interests of, or shares in, a client. • A professional accountant acting as an advocate on behalf of a client in litigation or disputes with third parties. • A professional accountant lobbying in favor of legislation on behalf of a client. (d) Familiarity Threats • A professional accountant having a close or immediate family member who is a director or officer of the client. • A director or officer of the client, or an employee in a position to exert significant influence over the subject matter of the engagement, having recently served as the engagement partner. • An audit team member having a long association with the audit client. • An individual who is being considered to serve as an appropriate reviewer, as a safeguard to address a threat, having a close relationship with an individual who performed the work. (e) Intimidation Threats • A professional accountant being threatened with dismissal from a client | Threats to compliance with the fundamental principles might be created by a broad range of facts and circumstances. The categories of threats are described in paragraph 120.6 A3. The following are examples of facts and circumstances within each of those categories of threats that might create threats for a chartered accountant when undertaking a professional service:(a) Self-interest Threats • A chartered accountant having a direct financial interest in a client.• A chartered accountant quoting a low fee to obtain a new engagement and the fee is so low that it might be difficult to perform the professional service in accordance with applicable technical and professional standards for that price.• A chartered accountant having a close business relationship with a client. A chartered accountant having access to confidential information that might be used for personal gain. • A chartered accountant discovering a significant error when evaluating the results of a previous professional service performed by a member of the accountant's firm. (b) Self-review Threats • A chartered accountant issuing an assurance report on the effectiveness of the operation of financial systems after implementing the systems. • A chartered accountant having prepared the original data used to generate records that are the subject matter of the assurance engagement. (c) Advocacy Threats • A chartered accountant promoting the interests of, or shares in, a client. • A chartered accountant acting as an advocate on behalf of a client in litigation or disputes with third parties. • A chartered accountant lobbying in favor of legislation on behalf of a client. (d) Familiarity Threats • A chartered accountant having a close or immediate family member who is a director or officer of the client. • A director or officer of the client, or an employee in a position to exert significant influence over the subject matter of the engagement, having recently served as the engagement partner. • An audit team member having a long association with the audit client. • An individual who is being considered to serve as an appropriate reviewer, as a safeguard to address a threat, having a close relationship with an individual who performed the work. (e) Intimidation Threats • A chartered accountant being threatened with dismissal from a client engagement or the firm because of a disagreement about a professional matter. A chartered accountant feeling pressured to agree with the judgment of a client because the client has more expertise on the matter in question. • A chartered accountant being informed that a planned promotion will not occur unless the accountant agrees with an inappropriate accounting treatment. • A chartered accountant having accepted a significant gift from a client and being threatened that acceptance of this gift will be made public. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | engagement or the firm because of a disagreement about a professional matter. • A professional accountant feeling pressured to agree with the judgment of a client because the client has more expertise on the matter in question. • A professional accountant being informed that a planned promotion will not occur unless the accountant agrees with an inappropriate accounting treatment. • A professional accountant having accepted a significant gift from a client and being threatened that acceptance of this gift will be made public. | | |
| 300.6A2 | The following are examples of facts and circumstances relating to the use of technology that might create threats for a professional accountant when undertaking a professional activity: • Self-interest Threats The data available might not be sufficient for the o effective use of the technology. The technology might not be appropriate for the o purpose for which it is to be used. The accountant might not have sufficient o information and expertise, or access to an expert with sufficient understanding, to use and explain the technology and its appropriateness for the purpose intended. (Ref: Para. 230.2). • Self-review Threats The technology was designed or developed using o the knowledge, expertise or judgment of the accountant or the firm. | The following are examples of facts and circumstances relating to the use of technology that might create threats for a chartered accountant when undertaking a professional activity: • Self-interest Threats o The data available might not be sufficient for the effective use of the technology. o The technology might not be appropriate for the purpose for which it is to be used. o The accountant might not have sufficient information and expertise, or access to an expert with sufficient understanding, to use and explain the technology and its appropriateness for the purpose intended. (Ref: Para. 230.2). • Self-review Threats o The technology was designed or developed using the knowledge, expertise or judgment of the accountant or the firm. | “Changes to the Code” section |
| 300.7A1 | The conditions, policies and procedures described in paragraphs 120.6 A1 and 120.8 A2 might impact the evaluation of whether a threat to compliance with the fundamental principles is at an acceptable level. Such conditions, policies and procedures might relate to: (a) The client and its operating environment; and (b) The firm and its operating environment. | The conditions, policies and procedures described in paragraph 120.6 A1 and 120.8 A2 might impact the evaluation of whether a threat to compliance with the fundamental principles is at an acceptable level. Such conditions, policies and procedures might relate to: (a) The client and its operating environment; and (b) The firm and its operating environment. | No Change |
| 300.7A2 | The professional accountant’s evaluation of the level of a threat is also impacted by the nature and scope of the professional service. | The chartered accountant’s evaluation of the level of a threat is also impacted by the nature and scope of the professional service. | Terminology differs: ‘chartered accountant’ vs ‘professional accountant’” |
| 300.7A3 | The professional accountant’s evaluation of the level of a threat might be impacted by whether the client is: (a) An audit client and whether the audit client is a public interest entity; (b) An assurance client that is not an audit client; or (c) A non-assurance client. | The chartered accountant’s evaluation of the level of a threat might be impacted by whether the client is: (a) An audit client and whether the audit client is a public interest entity; (b) An assurance client that is not an audit client; or (c) A non-assurance client. For example, providing a non-assurance service to an | Terminology differs: ‘chartered accountant’ vs ‘professional accountant’” |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | For example, providing a non-assurance service to an audit client that is a public interest entity might be perceived to result in a higher level of threat to compliance with the principle of objectivity with respect to the audit. | audit client that is a public interest entity might be perceived to result in a higher level of threat to compliance with the principle of objectivity with respect to the audit. | |
| 300.7A4 | The corporate governance structure, including the leadership of a client might promote compliance with the fundamental principles. Accordingly, a professional accountant's evaluation of the level of a threat might also be impacted by a client's operating environment. For example: • The client requires appropriate individuals other than management to ratify or approve the appointment of a firm to perform an engagement. • The client has competent employees with experience and seniority to make managerial decisions. • The client has implemented internal procedures that facilitate objective choices in tendering non-assurance engagements. • The client has a corporate governance structure that provides appropriate oversight and communications regarding the firm's services. | The corporate governance structure, including the leadership of a client might promote compliance with the fundamental principles. Accordingly, a chartered accountant's evaluation of the level of a threat might also be impacted by a client's operating environment. For example: • The client requires appropriate individuals other than management to ratify or approve the appointment of a firm to perform an engagement. • The client has competent employees with experience and seniority to make managerial decisions. • The client has implemented internal procedures that facilitate objective choices in tendering non-assurance engagements. • The client has a corporate governance structure that provides appropriate oversight and communications regarding the firm's services. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 300.7A5 | A professional accountant's evaluation of the level of a threat might be impacted by the work environment within the accountant's firm and its operating environment. For example: • Leadership of the firm that promotes compliance with the fundamental principles and establishes the expectation that assurance team members will act in the public interest. • Policies or procedures for establishing and monitoring compliance with the fundamental principles by all personnel. • Compensation, performance appraisal and disciplinary policies and procedures that promote compliance with the fundamental principles. • Management of the reliance on revenue received from a single client. • The engagement partner having authority within the firm for decisions concerning compliance with the fundamental principles, including any decisions about accepting or providing services to a client. • Educational, training and experience requirements. • Processes to facilitate and address internal and external concerns or complaints. | A chartered accountant's evaluation of the level of a threat might be impacted by the work environment within the accountant's firm and its operating environment. For example: • Leadership of the firm that promotes compliance with the fundamental principles and establishes the expectation that assurance team members will act in the public interest. • Policies or procedures for establishing and monitoring compliance with the fundamental principles by all personnel. • Compensation, performance appraisal and disciplinary policies and procedures that promote compliance with the fundamental principles. • Management of the reliance on revenue received from a single client. • The engagement partner having authority within the firm for decisions concerning compliance with the fundamental principles, including any decisions about accepting or providing services to a client. • Educational, training and experience requirements. • Processes to facilitate and address internal and external concerns or complaints. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 300.7A6 | The professional accountant's evaluation of the level of a threat associated with the use of technology might also be impacted by the | New information or changes in facts and circumstances might: (a) Impact the level of a threat; or (b) Affect the chartered accountant's conclusions | Reference issue. IESBA 300.7 A7 |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | work environment within the accountant's firm and its operating environment. For example: • Level of corporate oversight and internal controls over the technology. • Assessments of the quality and functionality of technology that are undertaken by a third-party. • Training that is provided regularly to all relevant employees so they obtain and maintain the professional competence to sufficiently understand, use and explain the technology and its appropriateness for the purpose intended. | about whether safeguards applied continue to address identified threats as intended. In these situations, actions that were already implemented as safeguards might no longer be effective in addressing threats. Accordingly, the application of the conceptual framework requires that the chartered accountant re-evaluate and address the threats accordingly. (Ref: Paras. R120.9 and R120.10). | Covered under ""Changes to the Code" "section |
| 300.7A7 | New information or changes in facts and circumstances might: (a) Impact the level of a threat; or (b) Affect the professional accountant's conclusions about whether safeguards applied continue to address identified threats as intended. In these situations, actions that were already implemented as safeguards might no longer be effective in addressing threats. Accordingly, the application of the conceptual framework requires that the professional accountant re-evaluate and address the threats accordingly. (Ref: Paras. R120.9 and R120.10). | Examples of new information or changes in facts and circumstances that might impact the level of a threat include: • When the scope of a professional service is expanded. • When the client becomes a listed entity or acquires another business unit. • When the firm merges with another firm. • When the chartered accountant is jointly engaged by two clients and a dispute emerges between the two clients. • When there is a change in the chartered accountant's personal or immediate family relationships. | Reference issue. ICAP 300.7 A6<br><br>Reference issue. IESBA 300.7 A8 |
| 300.7A8 | Examples of new information or changes in facts and circumstances that might impact the level of a threat include: • When the scope of a professional service is expanded. • When the client becomes a publicly traded entity or acquires another business unit. • When the firm merges with another firm. • When the professional accountant is jointly engaged by two clients and a dispute emerges between the two clients. • When there is a change in the professional accountant's personal or immediate family relationships. | **Not Present** | Reference issue. ICAP 300.7 A7 |
| 300.8A1 | Paragraphs R120.10 to 120.10 A2 set out requirements and application material for addressing threats that are not at an acceptable level. | Paragraphs R120.10 to 120.10 A2 set out requirements and application material for addressing threats that are not at an acceptable level. | No Change |
| 300.8A2 | Safeguards vary depending on the facts and circumstances. Examples of actions that in certain circumstances might be safeguards to address threats include: • Assigning additional time and qualified personnel to required tasks when an engagement has been accepted might address a self-interest threat. • Having an appropriate reviewer who | Safeguards vary depending on the facts and circumstances. Examples of actions that in certain circumstances might be safeguards to address threats include: • Assigning additional time and qualified personnel to required tasks when an engagement has been accepted might address a self-interest threat. • Having an appropriate reviewer who was not a member of the team review the work | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | was not a member of the team review the work performed or advise as necessary might address a self-review threat. • Using different partners and teams with separate reporting lines for the provision of non-assurance services to an assurance client might address self-review, advocacy or familiarity threats. • Involving another firm to perform or re-perform part of the engagement might address self-interest, self-review, advocacy, familiarity or intimidation threats. • Disclosing to clients any referral fees or commission arrangements received for recommending services or products might address a self-interest threat. • Separating teams when dealing with matters of a confidential nature might address a self-interest threat. | performed or advise as necessary might address a self-review threat. • Using different partners and teams with separate reporting lines for the provision of non-assurance services to an assurance client might address self-review, advocacy or familiarity threats. • Involving another firm to perform or re-perform part of the engagement might address self-interest, self-review, advocacy, familiarity or intimidation threats. • Disclosing to clients any referral fees or commission arrangements received for recommending services or products might address a self-interest threat. • Separating teams when dealing with matters of a confidential nature might address a self-interest threat. | |
| 300.8A3 | The remaining sections of Part 3 and International Independence Standards describe certain threats that might arise during the course of performing professional services and include examples of actions that might address threats. | The remaining sections of Part 3 and International Independence Standards describe certain threats that might arise during the course of performing professional services and include examples of actions that might address threats. | No Change |
| 300.8A4 | An appropriate reviewer is a professional with the necessary knowledge, skills, experience and authority to review, in an objective manner, the relevant work performed or service provided. Such an individual might be a professional accountant. | An appropriate reviewer is a professional with the necessary knowledge, skills, experience and authority to review, in an objective manner, the relevant work performed or service provided. Such an individual might be a chartered accountant. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R300.9 | When communicating with those charged with governance in accordance with the Code, a professional accountant shall determine the appropriate individual(s) within the entity's governance structure with whom to communicate. If the accountant communicates with a subgroup of those charged with governance, the accountant shall determine whether communication with all of those charged with governance is also necessary so that they are adequately informed. | When communicating with those charged with governance in accordance with the Code, a chartered accountant shall determine the appropriate individual(s) within the entity's governance structure with whom to communicate. If the accountant communicates with a subgroup of those charged with governance, the accountant shall determine whether communication with all of those charged with governance is also necessary so that they are adequately informed. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 300.9A1 | In determining with whom to communicate, a professional accountant might consider: (a) The nature and importance of the circumstances; and (b) The matter to be communicated. | In determining with whom to communicate, a chartered accountant might consider: (a) The nature and importance of the circumstances; and (b) The matter to be communicated. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 300.9A2 | Examples of a subgroup of those charged with governance include an audit committee | Examples of a subgroup of those charged with governance include an audit committee or an | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | or an individual member of those charged with governance. | individual member of those charged with governance. | |
| R300.10 | If a professional accountant communicates with individuals who have management responsibilities as well as governance responsibilities, the accountant shall be satisfied that communication with those individuals adequately informs all of those in a governance role with whom the accountant would otherwise communicate. | If a chartered accountant communicates with individuals who have management responsibilities as well as governance responsibilities, the accountant shall be satisfied that communication with those individuals adequately informs all of those in a governance role with whom the accountant would otherwise communicate. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 300.10A1 | In some circumstances, all of those charged with governance are involved in managing the entity, for example, a small business where a single owner manages the entity and no one else has a governance role. In these cases, if matters are communicated to individual(s) with management responsibilities, and those individual(s) also have governance responsibilities, the professional accountant has satisfied the requirement to communicate with those charged with governance. | In some circumstances, all of those charged with governance are involved in managing the entity, for example, a small business where a single owner manages the entity and no one else has a governance role. In these cases, if matters are communicated to individual(s) with management responsibilities, and those individual(s) also have governance responsibilities, the chartered accountant has satisfied the requirement to communicate with those charged with governance. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 310.1 | 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. | Chartered 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. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 310.2 | A conflict of interest creates threats to compliance with the principle of objectivity and might create threats to compliance with the other fundamental principles. Such threats might be created when: (a) A professional accountant provides a professional service related to a particular matter for two or more clients whose interests with respect to that matter are in conflict; or (b) The interests of a professional accountant with respect to a particular matter and the interests of the client for whom the accountant provides a professional service related to that matter are in conflict. | A conflict of interest creates threats to compliance with the principle of objectivity and might create threats to compliance with the other fundamental principles. Such threats might be created when: (a) A chartered accountant provides a professional service related to a particular matter for two or more clients whose interests with respect to that matter are in conflict; or (b) The interests of a chartered accountant with respect to a particular matter and the interests of the client for whom the accountant provides a professional service related to that matter are in conflict. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 310.3 | This section sets out specific requirements and application material relevant to applying the conceptual framework to conflicts of interest. When a professional accountant provides an audit, review or other assurance service, independence is also required in accordance with International Independence Standards. | This section sets out specific requirements and application material relevant to applying the conceptual framework to conflicts of interest. When a chartered accountant provides an audit, review or other assurance service, independence is also required in accordance with International Independence Standards. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

**Annexure B**

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| R310.4 | A professional accountant shall not allow a conflict of interest to compromise professional or business judgment. | A chartered accountant shall not allow a conflict of interest to compromise professional or business judgment. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 310.4A1 | Examples of circumstances that might create a conflict of interest include: • Providing a transaction advisory service to a client seeking to acquire an audit client, where the firm has obtained confidential information during the course of the audit that might be relevant to the transaction. • Providing advice to two clients at the same time where the clients are competing to acquire the same company and the advice might be relevant to the parties' competitive positions. • Providing services to a seller and a buyer in relation to the same transaction. • Preparing valuations of assets for two parties who are in an adversarial position with respect to the assets. • Representing two clients in the same matter who are in a legal dispute with each other, such as during divorce proceedings, or the dissolution of a partnership. • In relation to a license agreement, providing an assurance report for a licensor on the royalties due while advising the licensee on the amounts payable. • Advising a client to invest in a business in which, for example, the spouse of the professional accountant has a financial interest. • Providing strategic advice to a client on its competitive position while having a joint venture or similar interest with a major competitor of the client. • Advising a client on acquiring a business which the firm is also interested in acquiring. • Advising a client on buying a product or service while having a royalty or commission agreement with a potential seller of that product or service. | Examples of circumstances that might create a conflict of interest include: • Providing a transaction advisory service to a client seeking to acquire an audit client, where the firm has obtained confidential information during the course of the audit that might be relevant to the transaction. • Providing advice to two clients at the same time where the clients are competing to acquire the same company and the advice might be relevant to the parties' competitive positions. • Providing services to a seller and a buyer in relation to the same transaction. • Preparing valuations of assets for two parties who are in an adversarial position with respect to the assets. • Representing two clients in the same matter who are in a legal dispute with each other, such as during divorce proceedings, or the dissolution of a partnership. • In relation to a license agreement, providing an assurance report for a licensor on the royalties due while advising the licensee on the amounts payable. • Advising a client to invest in a business in which, for example, the spouse of the chartered accountant has a financial interest. • Providing strategic advice to a client on its competitive position while having a joint venture or similar interest with a major competitor of the client. • Advising a client on acquiring a business which the firm is also interested in acquiring. • Advising a client on buying a product or service while having a royalty or commission agreement with a potential seller of that product or service. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R310.5 | Before accepting a new client relationship, engagement, or business relationship, a professional accountant shall take reasonable steps to identify circumstances that might create a conflict of interest, and therefore a threat to compliance with one or more of the fundamental principles. Such steps shall include identifying: (a) The nature of the relevant interests and relationships between the parties involved; and (b) The service and its implication for relevant parties. | Before accepting a new client relationship, engagement, or business relationship, a chartered accountant shall take reasonable steps to identify circumstances that might create a conflict of interest, and therefore a threat to compliance with one or more of the fundamental principles. Such steps shall include identifying: (a) The nature of the relevant interests and relationships between the parties involved; and (b) The service and its implication for relevant parties. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

**Annexure B**

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 310.5A1 | An effective conflict identification process assists a professional accountant when taking reasonable steps to identify interests and relationships that might create an actual or potential conflict of interest, both before determining whether to accept an engagement and throughout the engagement. Such a process includes considering matters identified by external parties, for example clients or potential clients. The earlier an actual or potential conflict of interest is identified, the greater the likelihood of the accountant being able to address threats created by the conflict of interest. | An effective conflict identification process assists a chartered accountant when taking reasonable steps to identify interests and relationships that might create an actual or potential conflict of interest, both before determining whether to accept an engagement and throughout the engagement. Such a process includes considering matters identified by external parties, for example clients or potential clients. The earlier an actual or potential conflict of interest is identified, the greater the likelihood of the accountant being able to address threats created by the conflict of interest. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 310.5A2 | An effective process to identify actual or potential conflicts of interest will take into account factors such as: • The nature of the professional services provided. • The size of the firm. • The size and nature of the client base. • The structure of the firm, for example, the number and geographic location of offices. | An effective process to identify actual or potential conflicts of interest will take into account factors such as: • The nature of the professional services provided. • The size of the firm. • The size and nature of the client base. • The structure of the firm, for example, the number and geographic location of offices. | No Changes |
| 310.5A3 | More information on client acceptance is set out in Section 320, Professional Appointments. | More information on client acceptance is set out in Section 320, Professional Appointments. | No Change |
| R310.6 | A professional accountant shall remain alert to changes over time in the nature of services, interests and relationships that might create a conflict of interest while performing an engagement. | A chartered accountant shall remain alert to changes over time in the nature of services, interests and relationships that might create a conflict of interest while performing an engagement. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 310.6A1 | The nature of services, interests and relationships might change during the engagement. This is particularly true when a professional accountant is asked to conduct an engagement in a situation that might become adversarial, even though the parties who engage the accountant initially might not be involved in a dispute. | The nature of services, interests and relationships might change during the engagement. This is particularly true when a chartered accountant is asked to conduct an engagement in a situation that might become adversarial, even though the parties who engage the accountant initially might not be involved in a dispute. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R310.7 | If the firm is a member of a network, a professional accountant shall consider conflicts of interest that the accountant has reason to believe might exist or arise due to interests and relationships of a network firm. | If the firm is a member of a network, a chartered accountant shall consider conflicts of interest that the accountant has reason to believe might exist or arise due to interests and relationships of a network firm. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 310.7A1 | Factors to consider when identifying interests and relationships involving a network firm include: • The nature of the professional services provided. • The clients | Factors to consider when identifying interests and relationships involving a network firm include: • The nature of the professional services provided. • The | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | served by the network. • The geographic locations of all relevant parties. | clients served by the network. • The geographic locations of all relevant parties. | |
| 310.8A1 | In general, the more direct the connection between the professional service and the matter on which the parties' interests conflict, the more likely the level of the threat is not at an acceptable level. | In general, the more direct the connection between the professional service and the matter on which the parties' interests conflict, the more likely the level of the threat is not at an acceptable level. | No Change |
| 310.8A2 | Factors that are relevant in evaluating the level of a threat created by a conflict of interest include measures that prevent unauthorized disclosure of confidential information when performing professional services related to a particular matter for two or more clients whose interests with respect to that matter are in conflict. These measures include: • The existence of separate practice areas for specialty functions within the firm, which might act as a barrier to the passing of confidential client information between practice areas. • Policies and procedures to limit access to client files. • Confidentiality agreements signed by personnel and partners of the firm. • Separation of confidential information physically and electronically. • Specific and dedicated training and communication. | Factors that are relevant in evaluating the level of a threat created by a conflict of interest include measures that prevent unauthorized disclosure of confidential information when performing professional services related to a particular matter for two or more clients whose interests with respect to that matter are in conflict. These measures include: • The existence of separate practice areas for specialty functions within the firm, which might act as a barrier to the passing of confidential client information between practice areas. • Policies and procedures to limit access to client files. • Confidentiality agreements signed by personnel and partners of the firm. • Separation of confidential information physically and electronically. • Specific and dedicated training and communication. | No Change |
| 310.8A3 | Examples of actions that might be safeguards to address threats created by a conflict of interest include: • Having separate teams who are provided with clear policies and procedures on maintaining confidentiality. • Having an appropriate reviewer, who is not involved in providing the service or otherwise affected by the conflict, review the work performed to assess whether the key judgments and conclusions are appropriate. | Examples of actions that might be safeguards to address threats created by a conflict of interest include: • Having separate teams who are provided with clear policies and procedures on maintaining confidentiality. • Having an appropriate reviewer, who is not involved in providing the service or otherwise affected by the conflict, review the work performed to assess whether the key judgments and conclusions are appropriate. | No Change |
| R310.9 | A professional accountant shall exercise professional judgment to determine whether the nature and significance of a conflict of interest are such that specific disclosure and explicit consent are necessary when addressing the threat created by the conflict of interest. | A chartered accountant shall exercise professional judgment to determine whether the nature and significance of a conflict of interest are such that specific disclosure and explicit consent are necessary when addressing the threat created by the conflict of interest. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 310.9A1 | Factors to consider when determining whether specific disclosure and explicit consent are necessary include: • The circumstances creating the conflict of interest. • The parties that might be affected. • The nature of the issues that might arise. • | Factors to consider when determining whether specific disclosure and explicit consent are necessary include: • The circumstances creating the conflict of interest. • The parties that might be affected. • The nature of the issues that might arise. | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | The potential for the particular matter to develop in an unexpected manner. | • The potential for the particular matter to develop in an unexpected manner. | |
| 310.9A2 | Disclosure and consent might take different forms, for example: • General disclosure to clients of circumstances where, as is common commercial practice, the professional accountant does not provide professional services exclusively to any one client (for example, in a particular professional service and market sector). This enables the client to provide general consent accordingly. For example, an accountant might make general disclosure in the standard terms and conditions for the engagement. • Specific disclosure to affected clients of the circumstances of the particular conflict in sufficient detail to enable the client to make an informed decision about the matter and to provide explicit consent accordingly. Such disclosure might include a detailed presentation of the circumstances and a comprehensive explanation of any planned safeguards and the risks involved. • Consent might be implied by clients' conduct in circumstances where the professional accountant has sufficient evidence to conclude that clients know the circumstances at the outset and have accepted the conflict of interest if they do not raise an objection to the existence of the conflict. | Disclosure and consent might take different forms, for example: • General disclosure to clients of circumstances where, as is common commercial practice, the chartered accountant does not provide professional services exclusively to any one client (for example, in a particular professional service and market sector). This enables the client to provide general consent accordingly. For example, an accountant might make general disclosure in the standard terms and conditions for the engagement. • Specific disclosure to affected clients of the circumstances of the particular conflict in sufficient detail to enable the client to make an informed decision about the matter and to provide explicit consent accordingly. Such disclosure might include a detailed presentation of the circumstances and a comprehensive explanation of any planned safeguards and the risks involved. • Consent might be implied by clients' conduct in circumstances where the chartered accountant has sufficient evidence to conclude that clients know the circumstances at the outset and have accepted the conflict of interest if they do not raise an objection to the existence of the conflict. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 310.9A3 | It is generally necessary: (a) To disclose the nature of the conflict of interest and how any threats created were addressed to clients affected by a conflict of interest; and (b) To obtain consent of the affected clients to perform the professional services when safeguards are applied to address the threat. | It is generally necessary: (a) To disclose the nature of the conflict of interest and how any threats created were addressed to clients affected by a conflict of interest; and (b) To obtain consent of the affected clients to perform the professional services when safeguards are applied to address the threat. | No Change |
| 310.9A4 | If such disclosure or consent is not in writing, the professional accountant is encouraged to document: (a) The nature of the circumstances giving rise to the conflict of interest; (b) The safeguards applied to address the threats when applicable; and (c) The consent obtained. | If such disclosure or consent is not in writing, the chartered accountant is encouraged to document: (a) The nature of the circumstances giving rise to the conflict of interest; (b) The safeguards applied to address the threats when applicable; and (c) The consent obtained. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R310.10 | If a professional accountant has determined that explicit consent is necessary in accordance with paragraph R310.9 and the client has refused to provide consent, the | If a chartered accountant has determined that explicit consent is necessary in accordance with paragraph R310.9 and the client has refused to provide consent, the accountant shall either: (a) End | Terminology differs: 'chartered accountant' vs |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | accountant shall either: (a) End or decline to perform professional services that would result in the conflict of interest; or (b) End relevant relationships or dispose of relevant interests to eliminate the threat or reduce it to an acceptable level. | or decline to perform professional services that would result in the conflict of interest; or (b) End relevant relationships or dispose of relevant interests to eliminate the threat or reduce it to an acceptable level. | 'professional accountant'" |
| R310.11 | A professional accountant shall remain alert to the principle of confidentiality, including when making disclosures or sharing information within the firm or network and seeking guidance from third parties. | A chartered accountant shall remain alert to the principle of confidentiality, including when making disclosures or sharing information within the firm or network and seeking guidance from third parties. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 310.11A1 | Subsection 114 sets out requirements and application material relevant to situations that might create a threat to compliance with the principle of confidentiality. | Subsection 114 sets out requirements and application material relevant to situations that might create a threat to compliance with the principle of confidentiality. | No Change |
| R310.12 | When making specific disclosure for the purpose of obtaining explicit consent would result in a breach of confidentiality, and such consent cannot therefore be obtained, the firm shall only accept or continue an engagement if: (a) The firm does not act in an advocacy role for one client in an adversarial position against another client in the same matter; (b) Specific measures are in place to prevent disclosure of confidential information between the teams serving the two clients; and (c) The firm is satisfied that a reasonable and informed third party would be likely to conclude that it is appropriate for the firm to accept or continue the engagement because a restriction on the firm's ability to provide the professional service would produce a disproportionate adverse outcome for the clients or other relevant third parties. | When making specific disclosure for the purpose of obtaining explicit consent would result in a breach of confidentiality, and such consent cannot therefore be obtained, the firm shall only accept or continue an engagement if: (a) The firm does not act in an advocacy role for one client in an adversarial position against another client in the same matter; (b) Specific measures are in place to prevent disclosure of confidential information between the teams serving the two clients; and (c) The firm is satisfied that a reasonable and informed third party would be likely to conclude that it is appropriate for the firm to accept or continue the engagement because a restriction on the firm's ability to provide the professional service would produce a disproportionate adverse outcome for the clients or other relevant third parties. | No Change |
| 310.12A1 | A breach of confidentiality might arise, for example, when seeking consent to perform: • A transaction-related service for a client in a hostile takeover of another client of the firm. • A forensic investigation for a client regarding a suspected fraud, where the firm has confidential information from its work for another client who might be involved in the fraud. | A breach of confidentiality might arise, for example, when seeking consent to perform: • A transaction-related service for a client in a hostile takeover of another client of the firm. • A forensic investigation for a client regarding a suspected fraud, where the firm has confidential information from its work for another client who might be involved in the fraud. | No Change |
| R310.13 | In the circumstances set out in paragraph R310.12, the professional accountant shall document: (a) The nature of the circumstances, including the role that the accountant is to undertake; (b) The specific measures in place to prevent disclosure of | In the circumstances set out in paragraph R310.12, the chartered accountant shall document: (a) The nature of the circumstances, including the role that the accountant is to undertake; (b) The specific measures in place to prevent disclosure of information between the teams serving the two | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | information between the teams serving the two clients; and (c) Why it is appropriate to accept or continue the engagement. | clients; and (c) Why it is appropriate to accept or continue the engagement. | |
| 320.1 | 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. | Chartered 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. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 320.2 | Acceptance of a new client relationship or changes in an existing engagement might create a threat to compliance with one or more of the fundamental principles. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | Acceptance of a new client relationship or changes in an existing engagement might create a threat to compliance with one or more of the fundamental principles. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | No Change |
| 320.3A1 | Threats to compliance with the principles of integrity or professional behavior might be created, for example, from questionable issues associated with the client (its owners, management or activities). Issues that, if known, might create such a threat include client involvement in illegal activities, dishonesty, questionable financial reporting practices or other unethical behavior. | Threats to compliance with the principles of integrity or professional behavior might be created, for example, from questionable issues associated with the client (its owners, management or activities). Issues that, if known, might create such a threat include client involvement in illegal activities, dishonesty, questionable financial reporting practices or other unethical behavior. | No Change |
| 320.3A2 | Factors that are relevant in evaluating the level of such a threat include: • Knowledge and understanding of the client, its owners, management and those charged with governance and business activities. • The client's commitment to address the questionable issues, for example, through improving corporate governance practices or internal controls. | Factors that are relevant in evaluating the level of such a threat include: • Knowledge and understanding of the client, its owners, management and those charged with governance and business activities. • The client's commitment to address the questionable issues, for example, through improving corporate governance practices or internal controls. | No Change |
| 320.3A3 | A self-interest threat to compliance with the principle of professional competence and due care is created if the team does not possess, or cannot acquire, the competencies to perform the professional services. | A self-interest threat to compliance with the principle of professional competence and due care is created if the team does not possess, or cannot acquire, the competencies to perform the professional services. | No Change |
| 320.3A4 | Factors that are relevant in evaluating the level of such a threat include: • An appropriate understanding of: The nature of the client's business; o The complexity of its operations; o The requirements of the engagement; and o The purpose, nature and scope of the work to be o performed. • Knowledge of relevant industries or subject | Factors that are relevant in evaluating the level of such a threat include: • An appropriate understanding of: o The nature of the client's business; o The complexity of its operations; o The requirements of the engagement; and the purpose, nature and scope of the work to be performed. • Knowledge of relevant industries or subject matter. • Experience with relevant regulatory or reporting | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | matter. • Experience with relevant regulatory or reporting requirements. • Policies and procedures that the firm has implemented, as part of a system of quality management in accordance with quality management standards such as ISQM 1, that respond to quality risks relating to the firm's ability to perform the engagement in accordance with professional standards and applicable legal and regulatory requirements. • The level of fees and the extent to which they have regard to the resources required, taking into account the professional accountant's commercial and market priorities. | requirements. • Policies and procedures that the firm has implemented, as part of a system of quality management in accordance with quality management standards such as ISQM 1, that respond to quality risks relating to the firm's ability to perform the engagement in accordance with professional standards and applicable legal and regulatory requirements. • The level of fees and the extent to which they have regard to the resources required, taking into account the chartered accountant's commercial and market priorities. | |
| 320.3A5 | Examples of actions that might be safeguards to address a self- interest threat include: • Assigning sufficient engagement personnel with the necessary competencies. • Agreeing on a realistic time frame for the performance of the engagement. • Using experts where necessary. | Examples of actions that might be safeguards to address a self-interest threat include: • Assigning sufficient engagement personnel with the necessary competencies. • Agreeing on a realistic time frame for the performance of the engagement. • Using experts where necessary. | No Change |
| R320.4 | A professional accountant shall determine whether there are any reasons for not accepting an engagement when the accountant: (a) Is asked by a potential client to replace another accountant; (b) Considers tendering for an engagement held by another accountant; or (c) Considers undertaking work that is complementary or additional to that of another accountant. | A chartered accountant shall determine whether there are any reasons for not accepting an engagement when the accountant: (a) Is asked by a potential client to replace another accountant; (b) Considers tendering for an engagement held by another accountant; or (c) Considers undertaking work that is complementary or additional to that of another accountant. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 320.4A1 | There might be reasons for not accepting an engagement. One such reason might be if a threat created by the facts and circumstances cannot be addressed by applying safeguards. For example, there might be a self-interest threat to compliance with the principle of professional competence and due care if a professional accountant accepts the engagement before knowing all the relevant facts. | There might be reasons for not accepting an engagement. One such reason might be if a threat created by the facts and circumstances cannot be addressed by applying safeguards. For example, there might be a self- interest threat to compliance with the principle of professional competence and due care if a chartered accountant accepts the engagement before knowing all the relevant facts. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 320.4A2 | If a professional accountant is asked to undertake work that is complementary or additional to the work of an existing or predecessor accountant, a self-interest threat to compliance with the principle of professional competence and due care might be created, for example, as a result of incomplete information. | If a chartered accountant is asked to undertake work that is complementary or additional to the work of an existing or predecessor accountant, a self-interest threat to compliance with the principle of professional competence and due care might be created, for example, as a result of incomplete information. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 320.4A3 | A factor that is relevant in evaluating the level of such a threat is whether tenders state that, before accepting the engagement, contact with the existing or predecessor accountant will be requested. This contact gives the proposed accountant the opportunity to inquire whether there are any reasons why the engagement should not be accepted. | A factor that is relevant in evaluating the level of such a threat is whether tenders state that, before accepting the engagement, contact with the existing or predecessor accountant will be requested. This contact gives the proposed accountant the opportunity to inquire whether there are any reasons why the engagement should not be accepted. | No Change |
| 320.4A4 | Examples of actions that might be safeguards to address such a self-interest threat include: • Asking the existing or predecessor accountant to provide any known information of which, in the existing or predecessor accountant's opinion, the proposed accountant needs to be aware before deciding whether to accept the engagement. For example, inquiry might reveal previously undisclosed pertinent facts and might indicate disagreements with the existing or predecessor accountant that might influence the decision to accept the appointment. • Obtaining information from other sources such as through inquiries of third parties or background investigations regarding senior management or those charged with governance of the client. | Examples of actions that might be safeguards to address such a self- interest threat include: • Asking the existing or predecessor accountant to provide any known information of which, in the existing or predecessor accountant's opinion, the proposed accountant needs to be aware before deciding whether to accept the engagement. For example, inquiry might reveal previously undisclosed pertinent facts and might indicate disagreements with the existing or predecessor accountant that might influence the decision to accept the appointment. • Obtaining information from other sources such as through inquiries of third parties or background investigations regarding senior management or those charged with governance of the client. | No Change |
| 320.5A1 | A proposed accountant will usually need the client's permission, preferably in writing, to initiate discussions with the existing or predecessor accountant. | A proposed accountant will usually need the client's permission, preferably in writing, to initiate discussions with the existing or predecessor accountant. | No Change |
| R320.6 | If unable to communicate with the existing or predecessor accountant, the proposed accountant shall take other reasonable steps to obtain information about any possible threats. Communicating with the Proposed Accountant | If unable to communicate with the existing or predecessor accountant, the proposed accountant shall take other reasonable steps to obtain information about any possible threats. Communicating with the Proposed Accountant | No Change |
| R320.7 | When an existing or predecessor accountant is asked to respond to a communication from a proposed accountant, the existing or predecessor accountant shall: (a) Comply with relevant laws and regulations governing the request; and (b) Provide any information honestly and unambiguously. | When an existing or predecessor accountant is asked to respond to a communication from a proposed accountant, the existing or predecessor accountant shall: (a) Comply with relevant laws and regulations governing the request; and (b) Provide any information honestly and unambiguously. | No Change |
| 320.7A1 | An existing or predecessor accountant is bound by confidentiality. Whether the existing or predecessor accountant is permitted or required to discuss the affairs of a client with a proposed accountant will | An existing or predecessor accountant is bound by confidentiality. Whether the existing or predecessor accountant is permitted or required to discuss the affairs of a client with a proposed accountant will depend on the nature of the engagement and: (a) | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | depend on the nature of the engagement and: (a) Whether the existing or predecessor accountant has permission from the client for the discussion; and (b) The legal and ethics requirements relating to such communications and disclosure, which might vary by jurisdiction. | Whether the existing or predecessor accountant has permission from the client for the discussion; and (b) The legal and ethics requirements relating to such communications and disclosure, which might vary by jurisdiction. | |
| 320.7A2 | Circumstances where a professional accountant is or might be required to disclose confidential information, or when disclosure might be appropriate, are set out in paragraph 114.3 A1 of the Code. | Circumstances where a chartered accountant is or might be required to disclose confidential information, or when disclosure might be appropriate, are set out in paragraph 114.1 A1 of the Code. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R320.8 | In the case of an audit or review of financial statements, a professional accountant shall request the existing or predecessor accountant to provide known information regarding any facts or other information of which, in the existing or predecessor accountant's opinion, the proposed accountant needs to be aware before deciding whether to accept the engagement. Except for the circumstances involving non-compliance or suspected non-compliance with laws and regulations set out in paragraphs R360.21 and R360.22: (a) If the client consents to the existing or predecessor accountant disclosing any such facts or other information, the existing or predecessor accountant shall provide the information honestly and unambiguously; and (b) If the client fails or refuses to grant the existing or predecessor accountant permission to discuss the client's affairs with the proposed accountant, the existing or predecessor accountant shall disclose this fact to the proposed accountant, who shall carefully consider such failure or refusal when determining whether to accept the appointment. | In the case of an audit or review of financial statements, a chartered accountant shall request the existing or predecessor accountant to provide known information regarding any facts or other information of which, in the existing or predecessor accountant's opinion, the proposed accountant needs to be aware before deciding whether to accept the engagement. Except for the circumstances involving non- compliance or suspected non-compliance with laws and regulations set out in paragraphs s R360.21 and R360.22: (a) If the client consents to the existing or predecessor accountant disclosing any such facts or other information, the existing or predecessor accountant shall provide the information honestly and unambiguously; and (b) If the client fails or refuses to grant the existing or predecessor accountant permission to discuss the client's affairs with the proposed accountant, the existing or predecessor accountant shall disclose this fact to the proposed accountant, who shall carefully consider such failure or refusal when determining whether to accept the appointment. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R320.9 | For a recurring client engagement, a professional accountant shall periodically review whether to continue with the engagement. | For a recurring client engagement, a chartered accountant shall periodically review whether to continue with the engagement. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 320.9A1 | Potential threats to compliance with the fundamental principles might be created after acceptance which, had they been known earlier, would have caused the professional accountant to decline the engagement. For example, a self-interest threat to compliance with the principle of | Potential threats to compliance with the fundamental principles might be created after acceptance which, had they been known earlier, would have caused the chartered accountant to decline the engagement. For example, a self-interest threat to compliance with the principle of integrity might be created by | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | integrity might be created by improper earnings management or balance sheet valuations. | improper earnings management or balance sheet valuations. | |
| R320.10 | When a professional accountant intends to use the work of an expert in the course of undertaking a professional activity, the accountant shall determine whether the use is appropriate for the intended purpose. | When a chartered accountant intends to use the work of an expert, the accountant shall determine whether the use is warranted. | Sligh change in wording |
| 320.10A1 | Factors to consider when a professional accountant intends to use the work of an expert include: • The reputation and expertise of, and the resources available, to the expert. • Whether the expert is subject to applicable professional and ethics standards. Such information might be gained from prior association with, or from consulting others about, the expert. | Factors to consider when a chartered accountant intends to use the work of an expert include: • The reputation and expertise of, and the resources available to, the expert. • Whether the expert is subject to applicable professional and ethics standards. Such information might be gained from prior association with, or from consulting others about, the expert. | "Changes to the Code" section |
| R320.11 | When a professional accountant intends to use the output of technology in the course of undertaking a professional activity, the accountant shall determine whether the use is appropriate for the intended purpose. | When a chartered accountant intends to use the output of technology in the course of undertaking a professional activity, the accountant shall determine whether the use is appropriate for the intended purpose. | "Changes to the Code" section |
| 320.11A1 | Factors to consider when a professional accountant intends to use the output of technology include: • The nature of the activity to be performed by the technology. • The expected use of, or extent of reliance on, the output of the technology. • Whether the accountant has the ability, or access to an expert with the ability, to understand, use and explain the technology and its appropriateness for the purpose intended. • Whether the technology used has been appropriately tested and evaluated for the purpose intended. • Prior experience with the technology and whether its use for specific purposes is generally accepted. • The firm's oversight of the design, development, implementation, operation, maintenance, monitoring, updating or upgrading of the technology. • The controls relating to the use of the technology, including procedures for authorizing user access to the technology and overseeing such use. • The appropriateness of the inputs to the technology, including data and any related decisions, and decisions made by individuals in the course of using the technology. | Factors to consider when a chartered accountant intends to use the output of technology include: • The nature of the activity to be performed by the technology. • The expected use of, or extent of reliance on, the output of the technology. • Whether the accountant has the ability, or access to an expert with the ability, to understand, use and explain the technology and its appropriateness for the purpose intended. • Whether the technology used has been appropriately tested and evaluated for the purpose intended. • Prior experience with the technology and whether its use for specific purposes is generally accepted. • The firm's oversight of the design, development, implementation, operation, maintenance, monitoring, updating or upgrading of the technology. • The controls relating to the use of the technology, including procedures for authorizing user access to the technology and overseeing such use. • The appropriateness of the inputs to the technology, including data and any related decisions, and decisions made by individuals in the course of using the technology. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

**Annexure B**

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 320.12A1 | When a professional accountant is considering using the work of experts or the output of technology, a consideration is whether the accountant is in a position within the firm to obtain information in relation to the factors necessary to determine whether such use is appropriate. | When a chartered accountant is considering using the work of experts or the output of technology, a consideration is whether the accountant is in a position within the firm to obtain information in relation to the factors necessary to determine whether such use is appropriate. | "Changes to the Code" section |
| 321.1 | 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. | Chartered 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. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 321.2 | Providing a second opinion to an entity that is not an existing client might create a self-interest or other threat to compliance with one or more of the fundamental principles. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | Providing a second opinion to an entity that is not an existing client might create a self-interest or other threat to compliance with one or more of the fundamental principles. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | No Change |
| 321.3A1 | A professional accountant might be asked to provide a second opinion on the application of tax laws and regulations, and accounting, auditing, reporting or other standards or principles to (a) specific circumstances, or (b) transactions by or on behalf of a company or an entity that is not an existing client. A threat, for example, a self-interest threat to compliance with the principle of professional competence and due care, might be created if the second opinion is not based on the same facts that the existing or predecessor accountant or other service provider had, or is based on inadequate evidence. | A chartered accountant might be asked to provide a second opinion on the application of accounting, auditing, reporting or other standards or principles to (a) specific circumstances, or (b) transactions by or on behalf of a company or an entity that is not an existing client. A threat, for example, a self-interest threat to compliance with the principle of professional competence and due care, might be created if the second opinion is not based on the same facts that the existing or predecessor accountant had, or is based on inadequate evidence. | Slight change in wording |
| 321.3A2 | A factor that is relevant in evaluating the level of such a self- interest threat is the circumstances of the request and all the other available facts and assumptions relevant to the expression of a professional judgment. | A factor that is relevant in evaluating the level of such a self-interest threat is the circumstances of the request and all the other available facts and assumptions relevant to the expression of a professional judgment. | No Changes |
| 321.3A3 | Examples of actions that might be safeguards to address such a self-interest threat include: • With the client's permission, obtaining information from the existing or predecessor accountant or other service provider. • Describing the limitations surrounding any opinion in communications | Examples of actions that might be safeguards to address such a self- interest threat include: • With the client's permission, obtaining information from the existing or predecessor accountant. • Describing the limitations surrounding any opinion in communications with the client. • Providing the | Slight change in wording |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | with the client. • Providing the existing or predecessor accountant or other service provider with a copy of the opinion. | existing or predecessor accountant with a copy of the opinion. | |
| R321.4 | If an entity seeking a second opinion from a professional accountant will not permit the accountant to communicate with the existing or predecessor accountant or other service provider, the accountant shall determine whether the accountant may provide the second opinion sought. | If an entity seeking a second opinion from a chartered accountant will not permit the accountant to communicate with the existing or predecessor accountant, the accountant shall determine whether the accountant may provide the second opinion sought. | Slight change in wording |
| 325.1 | 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. | Chartered 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. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 325.2 | Appointing an engagement quality reviewer who has involvement in the work being reviewed or close relationships with those responsible for performing that work might create threats to compliance with the principle of objectivity. | Appointing an engagement quality reviewer who has involvement in the work being reviewed or close relationships with those responsible for performing that work might create threats to compliance with the principle of objectivity. | No Change |
| 325.3 | This section sets out specific application material relevant to applying the conceptual framework in relation to the objectivity of an engagement quality reviewer. | This section sets out specific application material relevant to applying the conceptual framework in relation to the objectivity of an engagement quality reviewer. | No Change |
| 325.4 | An engagement quality reviewer is also an example of an appropriate reviewer as described in paragraph 300.8 A4. Therefore, the application material in this section might apply in circumstances where a professional accountant appoints an appropriate reviewer to review work performed as a safeguard to address identified threats. | An engagement quality reviewer is also an example of an appropriate reviewer as described in paragraph 300.8 A4. Therefore, the application material in this section might apply in circumstances where a chartered accountant appoints an appropriate reviewer to review work performed as a safeguard to address identified threats. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 325.5A1 | Quality engagements are achieved through planning and performing engagements and reporting on them in accordance with professional standards and applicable legal and regulatory requirements. ISQM 1 establishes the firm's responsibilities for its system of quality management and requires the firm to design and implement responses to address quality risks related to engagement performance. Such responses include establishing policies or procedures addressing engagement quality reviews in accordance with ISQM 2. | Quality engagements are achieved through planning and performing engagements and reporting on them in accordance with professional standards and applicable legal and regulatory requirements. ISQM 1 establishes the firm's responsibilities for its system of quality management and requires the firm to design and implement responses to address quality risks related to engagement performance. Such responses include establishing policies or procedures addressing engagement quality reviews in accordance with ISQM 2. | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 325.5A2 | An engagement quality reviewer is a partner, other individual in the firm, or an external individual, appointed by the firm to perform the engagement quality review. | An engagement quality reviewer is a partner, other individual in the firm, or an external individual, appointed by the firm to perform the engagement quality review. Identifying Threats | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 325.6A1 | The following are examples of circumstances where threats to the objectivity of a professional accountant appointed as an engagement quality reviewer might be created: (a) Self-interest threat • Two engagement partners each serving as an engagement quality reviewer for the other's engagement. (b) Self-review threat • An accountant serving as an engagement quality reviewer on an audit engagement after previously serving as the engagement partner. (c) Familiarity threat • An accountant serving as an engagement quality reviewer has a close relationship with or is an immediate family member of another individual who is involved in the engagement. (d) Intimidation threat • An accountant serving as an engagement quality reviewer for an engagement has a direct reporting line to the partner responsible for the engagement. | The following are examples of circumstances where threats to the objectivity of a chartered accountant appointed as an engagement quality reviewer might be created: (a) Self-interest threat • Two engagement partners each serving as an engagement quality reviewer for the other's engagement. (b) Self-review threat • An accountant serving as an engagement quality reviewer on an audit engagement after previously serving as the engagement partner. (c) Familiarity threat • An accountant serving as an engagement quality reviewer has a close relationship with or is an immediate family member of another individual who is involved in the engagement. (d) Intimidation threat • An accountant serving as an engagement quality reviewer for an engagement has a direct reporting line to the partner responsible for the engagement. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 325.7A1 | Factors that are relevant in evaluating the level of threats to the objectivity of an individual appointed as an engagement quality reviewer include: • The role and seniority of the individual. • The nature of the individual's relationship with others involved on the engagement. • The length of time the individual was previously involved with the engagement and the individual's role. • When the individual was last involved in the engagement prior to being appointed as engagement quality reviewer and any subsequent relevant changes to the circumstances of the engagement. • The nature and complexity of issues that required significant judgment from the individual in any previous involvement in the engagement. | Factors that are relevant in evaluating the level of threats to the objectivity of an individual appointed as an engagement quality reviewer include: • The role and seniority of the individual. • The nature of the individual's relationship with others involved on the engagement. • The length of time the individual was previously involved with the engagement and the individual's role. • When the individual was last involved in the engagement prior to being appointed as engagement quality reviewer and any subsequent relevant changes to the circumstances of the engagement. • The nature and complexity of issues that required significant judgment from the individual in any previous involvement in the engagement. | No Change |
| 325.8A1 | An example of an action that might eliminate an intimidation threat is reassigning reporting responsibilities within the firm. | An example of an action that might eliminate an intimidation threat is reassigning reporting responsibilities within the firm. | No Change |
| 325.8A2 | An example of an action that might be a safeguard to address a self-review threat is implementing a period of sufficient duration (a cooling-off period) before the individual | An example of an action that might be a safeguard to address a self- review threat is implementing a period of sufficient duration (a cooling- off period) | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | who was on the engagement is appointed as an engagement quality reviewer. | before the individual who was on the engagement is appointed as an engagement quality reviewer. | |
| 325.8A3 | ISQM 2 requires the firm to establish policies or procedures that specify, as a condition for eligibility, a cooling-off period of two years before the engagement partner can assume the role of engagement quality reviewer. This serves to enable compliance with the principle of objectivity and the consistent performance of quality engagements. | ISQM 2 requires the firm to establish policies or procedures that specify, as a condition for eligibility, a cooling-off period of two years before the engagement partner can assume the role of engagement quality reviewer. This serves to enable compliance with the principle of objectivity and the consistent performance of quality engagements. | No Change |
| 325.8A4 | The cooling-off period required by ISQM 2 is distinct from, and does not modify, the partner rotation requirements in Section 540, which are designed to address threats to independence created by long association with an audit client. | The cooling-off period required by ISQM 2 is distinct from, and does not modify, the partner rotation requirements in Section 540, which are designed to address threats to independence created by long association with an audit client. | No Change |
| 330.1 | 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. | Chartered 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. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 330.2 | The level and nature of fee and other remuneration arrangements might create a self-interest threat to compliance with one or more of the fundamental principles. This section sets out specific application material relevant to applying the conceptual framework in such circumstances. | The level and nature of fee and other remuneration arrangements might create a self-interest threat to compliance with one or more of the fundamental principles. This section sets out specific application material relevant to applying the conceptual framework in such circumstances. | No Change |
| R330.3 | Not Present | When entering into negotiations regarding professional services, a chartered accountant in practice may quote whatever fee is deemed to be appropriate commensurate with the nature and service to be rendered. However, in such cases, chartered accountants in practice should be careful not to quote fee lower than that charged by the chartered accountants in practice previously carrying out the audit unless scope and quantum of work materially differs from the scope and quantum of work carried out by the previous auditor, as it could then be regarded as undercutting. | Carried from ICAP 2019 code |
| 330.3A1 | The level of fees might impact a professional accountant's ability to perform professional services in accordance with technical and professional standards. | The level of fees might impact a chartered accountant's ability to perform professional services in accordance with technical and professional standards. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 330.3A2 | A professional accountant might quote whatever fee is considered appropriate. Quoting a fee lower than another accountant is not in itself unethical. However, the level of fees quoted creates a self-interest threat to compliance with the principle of professional competence and due care if the fee quoted is so low that it might be difficult to perform the engagement in accordance with applicable technical and professional standards. | Factors that are relevant in evaluating the level of such a threat include: • Whether the client is aware of the terms of the engagement and, in particular, the basis on which fees are determined and which professional services are covered. • Whether the level of the fee is set by an independent third party such as a regulatory body. | Reference issue, covered under IESBA 330.3A3 |
| 330.3A3 | Factors that are relevant in evaluating the level of such a threat include: • Whether the client is aware of the terms of the engagement and, in particular, the basis on which fees are determined and which professional services are covered. • Whether the level of the fee is set by an independent third party such as a regulatory body. | Examples of actions that might be safeguards to address such a self- interest threat include: • Adjusting the level of fees or the scope of the engagement. • Having an appropriate reviewer review the work performed. | Reference issue, covered under IESBA 330.3A3<br><br>Reference issue, covered under ICAP 330.3A2 |
| 330.3A4 | Examples of actions that might be safeguards to address such a self-interest threat include: • Adjusting the level of fees or the scope of the engagement. • Having an appropriate reviewer review the work performed. | **Not Present** | Reference issue, covered under ICAP 330.3A3 |
| 330.4A1 | Contingent fees are used for certain types of non-assurance services. However, contingent fees might create threats to compliance with the fundamental principles, particularly a self- interest threat to compliance with the principle of objectivity, in certain circumstances. | Contingent fees are used for certain types of non-assurance services. However, contingent fees might create threats to compliance with the fundamental principles, particularly a self-interest threat to compliance with the principle of objectivity, in certain circumstances. | No Change |
| 330.4A2 | Factors that are relevant in evaluating the level of such threats include: • The nature of the engagement. • The range of possible fee amounts. • The basis for determining the fee. • Disclosure to intended users of the work performed by the professional accountant and the basis of remuneration. • Quality management policies and procedures. • Whether an independent third party is to review the outcome or result of the transaction. • Whether the level of the fee is set by an independent third party such as a regulatory body. | Factors that are relevant in evaluating the level of such threats include: • The nature of the engagement. • The range of possible fee amounts. • The basis for determining the fee. • Disclosure to intended users of the work performed by the professional accountant and the basis of remuneration. • Quality management policies and procedures. • Whether an independent third party is to review the outcome or result of the transaction. • Whether the level of the fee is set by an independent third party such as a regulatory body. | No Change |
| 330.4A3 | Examples of actions that might be safeguards to address such a self-interest threat include: • Having an appropriate reviewer who was not involved in performing | Examples of actions that might be safeguards to address such a self- interest threat include: • Having an appropriate reviewer who was not involved in performing the non-assurance service review the | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | the non-assurance service review the work performed by the professional accountant. • Obtaining an advance written agreement with the client on the basis of remuneration. | work performed by the professional accountant. • Obtaining an advance written agreement with the client on the basis of remuneration. | |
| 330.4A4 | Requirements and application material related to contingent fees for services provided to audit or review clients and other assurance clients are set out in International Independence Standards. | Requirements and application material related to contingent fees for services provided to audit or review clients and other assurance clients are set out in International Independence Standard [Contingent Fees is not allowed in the Chartered Accountants Ordinance, 1961 (clause 9 of Schedule I of Part I). Relevant provision is reproduced below: "A Chartered Accountant in practice shall be deemed to be guilty of professional misconduct, if he- (9) charges or offers to charge, accepts or offers to accept in respect of any professional employment fees which are based on a percentage of profits or which are contingent upon the findings or results of such employment except in cases which are permitted under any law for the time being in force or by an order of the Government;" Therefore, the requirements on Contingent Fees as given in IESBA Code 2023 have not been adopted by ICAP.] | Clarification added in ICAP Code. |
| 330.5A1 | A self-interest threat to compliance with the principles of objectivity and professional competence and due care is created if a professional accountant pays or receives a referral fee or receives a commission relating to a client. Such referral fees or commissions include, for example: • A fee paid to another professional accountant for the purposes of obtaining new client work when the client continues as a client of the existing accountant but requires specialist services not offered by that accountant. • A fee received for referring a continuing client to another professional accountant or other expert where the existing accountant does not provide the specific professional service required by the client. • A commission received from a third party (for example, a software vendor) in connection with the sale of goods or services to a client. | A self-interest threat to compliance with the principles of objectivity and professional competence and due care is created if a chartered accountant pays or receives a referral fee or receives a commission relating to a client. Such referral fees or commissions include, for example: • A fee paid to another chartered accountant for the purposes of obtaining new client work when the client continues as a client of the existing accountant but requires specialist services not offered by that accountant. • A fee received for referring a continuing client to another chartered accountant or other expert where the existing accountant does not provide the specific professional service required by the client. • A commission received from a third party (for example, a software vendor) in connection with the sale of goods or services to a client. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 330.5A2 | Examples of actions that might be safeguards to address such a self-interest threat include: • Obtaining an advance agreement from the client for commission arrangements in connection with the sale by another party of goods or services to the client might address a self-interest threat. • Disclosing to clients any referral fees or commission arrangements paid to, or received from, another professional accountant or third party for recommending | Examples of actions that might be safeguards to address such a self- interest threat include: • Obtaining an advance agreement from the client for commission arrangements in connection with the sale by another party of goods or services to the client might address a self-interest threat. • Disclosing to clients any referral fees or commission arrangements paid to, or received from, another chartered accountant or third party for recommending services or products might address a self-interest threat. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | services or products might address a self-interest threat. | | |
| 330.6A1 | A professional accountant may purchase all or part of another firm on the basis that payments will be made to individuals formerly owning the firm or to their heirs or estates. Such payments are not referral fees or commissions for the purposes of this section. | A chartered accountant may purchase all or part of another firm on the basis that payments will be made to individuals formerly owning the firm or to their heirs or estates. Such payments are not referral fees or commissions for the purposes of this section. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 340.1 | 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. | Chartered 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. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 340.2 | Offering or accepting inducements might create a self-interest, familiarity or intimidation threat to compliance with the fundamental principles, particularly the principles of integrity, objectivity and professional behavior. | Offering or accepting inducements might create a self-interest, familiarity or intimidation threat to compliance with the fundamental principles, particularly the principles of integrity, objectivity and professional behavior. | No Change |
| 340.3 | This section sets out requirements and application material relevant to applying the conceptual framework in relation to the offering and accepting of inducements when performing professional services that does not constitute non-compliance with laws and regulations. This section also requires a professional accountant to comply with relevant laws and regulations when offering or accepting inducements. | This section sets out requirements and application material relevant to applying the conceptual framework in relation to the offering and accepting of inducements when performing professional services that does not constitute non-compliance with laws and regulations. This section also requires a chartered accountant to comply with relevant laws and regulations when offering or accepting inducements. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 340.4A1 | An inducement is an object, situation, or action that is used as a means to influence another individual's behavior, but not necessarily with the intent to improperly influence that individual's behavior. Inducements can range from minor acts of hospitality between professional accountants and existing or prospective clients to acts that result in non-compliance with laws and regulations. An inducement can take many different forms, for example: • Gifts. • Hospitality. • Entertainment. • Political or charitable donations. • Appeals to friendship and loyalty. • Employment or other commercial opportunities. • Preferential treatment, rights or privileges. | An inducement is an object, situation, or action that is used as a means to influence another individual's behavior, but not necessarily with the intent to improperly influence that individual's behavior. Inducements can range from minor acts of hospitality between chartered accountants and existing or prospective clients to acts that result in non- compliance with laws and regulations. An inducement can take many different forms, for example: • Gifts. • Hospitality. • Entertainment. • Political or charitable donations. • Appeals to friendship and loyalty. • Employment or other commercial opportunities. • Preferential treatment, rights or privileges. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R340.5 | In many jurisdictions, there are laws and regulations, such as those related to bribery | In many jurisdictions, there are laws and regulations, such as those related to bribery and corruption, that | Terminology differs: 'chartered |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | and corruption, that prohibit the offering or accepting of inducements in certain circumstances. The professional accountant shall obtain an understanding of relevant laws and regulations and comply with them when the accountant encounters such circumstances. | prohibit the offering or accepting of inducements in certain circumstances. The chartered accountant shall obtain an understanding of relevant laws and regulations and comply with them when the accountant encounters such circumstances. | accountant' vs 'professional accountant'" |
| 340.6A1 | The offering or accepting of inducements that is not prohibited by laws and regulations might still create threats to compliance with the fundamental principles. | The offering or accepting of inducements that is not prohibited by laws and regulations might still create threats to compliance with the fundamental principles. | No Change |
| R340.7 | A professional accountant shall not offer, or encourage others to offer, any inducement that is made, or which the accountant considers a reasonable and informed third party would be likely to conclude is made, with the intent to improperly influence the behavior of the recipient or of another individual. | A chartered accountant shall not offer, or encourage others to offer, any inducement that is made, or which the accountant considers a reasonable and informed third party would be likely to conclude is made, with the intent to improperly influence the behavior of the recipient or of another individual. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R340.8 | A professional accountant shall not accept, or encourage others to accept, any inducement that the accountant concludes is made, or considers a reasonable and informed third party would be likely to conclude is made, with the intent to improperly influence the behavior of the recipient or of another individual. | A chartered accountant shall not accept, or encourage others to accept, any inducement that the accountant concludes is made, or considers a reasonable and informed third party would be likely to conclude is made, with the intent to improperly influence the behavior of the recipient or of another individual. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 340.9A1 | An inducement is considered as improperly influencing an individual's behavior if it causes the individual to act in an unethical manner. Such improper influence can be directed either towards the recipient or towards another individual who has some relationship with the recipient. The fundamental principles are an appropriate frame of reference for a professional accountant in considering what constitutes unethical behavior on the part of the accountant and, if necessary, by analogy, other individuals. | An inducement is considered as improperly influencing an individual's behavior if it causes the individual to act in an unethical manner. Such improper influence can be directed either towards the recipient or towards another individual who has some relationship with the recipient. The fundamental principles are an appropriate frame of reference for a chartered accountant in considering what constitutes unethical behavior on the part of the accountant and, if necessary, by analogy, other individuals. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 340.9A2 | A breach of the fundamental principle of integrity arises when a professional accountant offers or accepts, or encourages others to offer or accept, an inducement where the intent is to improperly influence the behavior of the recipient or of another individual. | A breach of the fundamental principle of integrity arises when a chartered accountant offers or accepts, or encourages others to offer or accept, an inducement where the intent is to improperly influence the behavior of the recipient or of another individual. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 340.9A3 | The determination of whether there is actual or perceived intent to improperly influence behavior requires the exercise of professional judgment. Relevant factors to consider might include: • The nature, frequency, value and cumulative effect of the inducement. • Timing of when the inducement is offered relative to any action or decision that it might influence. • Whether the inducement is a customary or cultural practice in the circumstances, for example, offering a gift on the occasion of a religious holiday or wedding. • Whether the inducement is an ancillary part of a professional service, for example, offering or accepting lunch in connection with a business meeting. • Whether the offer of the inducement is limited to an individual recipient or available to a broader group. The broader group might be internal or external to the firm, such as other suppliers to the client. • The roles and positions of the individuals at the firm or the client offering or being offered the inducement. • Whether the professional accountant knows, or has reason to believe, that accepting the inducement would breach the policies and procedures of the client. • The degree of transparency with which the inducement is offered. • Whether the inducement was required or requested by the recipient. • The known previous behavior or reputation of the offeror. | The determination of whether there is actual or perceived intent to improperly influence behavior requires the exercise of professional judgment. Relevant factors to consider might include: • The nature, frequency, value and cumulative effect of the inducement. • Timing of when the inducement is offered relative to any action or decision that it might influence. • Whether the inducement is a customary or cultural practice in the circumstances, for example, offering a gift on the occasion of a religious holiday or wedding. • Whether the inducement is an ancillary part of a professional service, for example, offering or accepting lunch in connection with a business meeting. • Whether the offer of the inducement is limited to an individual recipient or available to a broader group. The broader group might be internal or external to the firm, such as other suppliers to the client. • The roles and positions of the individuals at the firm or the client offering or being offered the inducement. • Whether the chartered accountant knows, or has reason to believe, that accepting the inducement would breach the policies and procedures of the client. • The degree of transparency with which the inducement is offered. • Whether the inducement was required or requested by the recipient. • The known previous behavior or reputation of the offeror. | Terminology differs: ‘chartered accountant’ vs ‘professional accountant’” |
| 340.10A1 | If the professional accountant becomes aware of an inducement offered with actual or perceived intent to improperly influence behavior, threats to compliance with the fundamental principles might still be created even if the requirements in paragraphs R340.7 and R340.8 are met. | If the chartered accountant becomes aware of an inducement offered with actual or perceived intent to improperly influence behavior, threats to compliance with the fundamental principles might still be created even if the requirements in paragraphs | Terminology differs: ‘chartered accountant’ vs ‘professional accountant’” |
| 340.10A2 | Examples of actions that might be safeguards to address such threats include: • Informing senior management of the firm or those charged with governance of the client regarding the offer. • Amending or terminating the business relationship with the client. | Examples of actions that might be safeguards to address such threats include: • Informing senior management of the firm or those charged with governance of the client regarding the offer. • Amending or terminating the business relationship with the client. | No Change |
| 340.11A1 | The requirements and application material set out in the conceptual framework apply when a professional accountant has concluded there is no actual or perceived intent to improperly influence the behavior of the recipient or of another individual. | The requirements and application material set out in the conceptual framework apply when a chartered accountant has concluded there is no actual or perceived intent to improperly influence the behavior of the recipient or of another individual. | Terminology differs: ‘chartered accountant’ vs ‘professional accountant’” |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 340.11A2 | If such an inducement is trivial and inconsequential, any threats created will be at an acceptable level. | If such an inducement is trivial and inconsequential, any threats created will be at an acceptable level. | No Change |
| 340.11A3 | Examples of circumstances where offering or accepting such an inducement might create threats even if the professional accountant has concluded there is no actual or perceived intent to improperly influence behavior include: • Self-interest threats A professional accountant is offered hospitality from o the prospective acquirer of a client while providing corporate finance services to the client. • Familiarity threats A professional accountant regularly takes an o existing or prospective client to sporting events. • Intimidation threats A professional accountant accepts hospitality from a o client, the nature of which could be perceived to be inappropriate were it to be publicly disclosed. | Examples of circumstances where offering or accepting such an inducement might create threats even if the chartered accountant has concluded there is no actual or perceived intent to improperly influence behavior include: • Self-interest threats o A chartered accountant is offered hospitality from the prospective acquirer of a client while providing corporate finance services to the client. • Familiarity threats o A chartered accountant regularly takes an existing or prospective client to sporting events. • Intimidation threats o A chartered accountant accepts hospitality from a client, the nature of which could be perceived to be inappropriate were it to be publicly disclosed. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 340.11A4 | Relevant factors in evaluating the level of such threats created by offering or accepting such an inducement include the same factors set out in paragraph 340.9 A3 for determining intent. | Relevant factors in evaluating the level of such threats created by offering or accepting such an inducement include the same factors set out in paragraph 340.9 A3 for determining intent. | No Change |
| 340.11A5 | Examples of actions that might eliminate threats created by offering or accepting such an inducement include: • Declining or not offering the inducement. • Transferring responsibility for the provision of any professional services to the client to another individual who the professional accountant has no reason to believe would be, or would be perceived to be, improperly influenced when providing the services. | Examples of actions that might eliminate threats created by offering or accepting such an inducement include: • Declining or not offering the inducement. • Transferring responsibility for the provision of any professional services to the client to another individual who the chartered accountant has no reason to believe would be, or would be perceived to be, improperly influenced when providing the services. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 340.11A6 | Examples of actions that might be safeguards to address such threats created by offering or accepting such an inducement include: • Being transparent with senior management of the firm or of the client about offering or accepting an inducement. • Registering the inducement in a log monitored by senior management of the firm or another individual responsible for the firm's ethics compliance or maintained by the client. • Having an appropriate reviewer, who is not otherwise involved in providing the professional service, review any work performed or decisions made by the professional accountant with respect to the client from which the accountant accepted | Examples of actions that might be safeguards to address such threats created by offering or accepting such an inducement include: • Being transparent with senior management of the firm or of the client about offering or accepting an inducement. • Registering the inducement in a log monitored by senior management of the firm or another individual responsible for the firm's ethics compliance or maintained by the client. • Having an appropriate reviewer, who is not otherwise involved in providing the professional service, review any work performed or decisions made by the chartered accountant with respect to the client from which the accountant accepted the inducement.• Donating the inducement to charity after receipt and appropriately disclosing the donation, for example, to a member of senior | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | the inducement. • Donating the inducement to charity after receipt and appropriately disclosing the donation, for example, to a member of senior management of the firm or the individual who offered the inducement. • Reimbursing the cost of the inducement, such as hospitality, received. • As soon as possible, returning the inducement, such as a gift, after it was initially accepted. | management of the firm or the individual who offered the inducement. • Reimbursing the cost of the inducement, such as hospitality, received. • As soon as possible, returning the inducement, such as a gift, after it was initially accepted. [ | |
| R340.12 | A professional accountant shall remain alert to potential threats to the accountant's compliance with the fundamental principles created by the offering of an inducement: (a) By an immediate or close family member of the accountant to an existing or prospective client of the accountant. (b) To an immediate or close family member of the accountant by an existing or prospective client of the accountant. | A chartered accountant shall remain alert to potential threats to the accountant's compliance with the fundamental principles created by the offering of an inducement: (a) By an immediate or close family member of the accountant to an existing or prospective client of the accountant. (b) To an immediate or close family member of the accountant by an existing or prospective client of the accountant. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R340.13 | Where the professional accountant becomes aware of an inducement being offered to or made by an immediate or close family member and concludes there is intent to improperly influence the behavior of the accountant or of an existing or prospective client of the accountant, or considers a reasonable and informed third party would be likely to conclude such intent exists, the accountant shall advise the immediate or close family member not to offer or accept the inducement. | Where the chartered accountant becomes aware of an inducement being offered to or made by an immediate or close family member and concludes there is intent to improperly influence the behavior of the accountant or of an existing or prospective client of the accountant, or considers a reasonable and informed third party would be likely to conclude such intent exists, the accountant shall advise the immediate or close family member not to offer or accept the inducement. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 340.13A1 | The factors set out in paragraph 340.9 A3 are relevant in determining whether there is actual or perceived intent to improperly influence the behavior of the professional accountant or of the existing or prospective client. Another factor that is relevant is the nature or closeness of the relationship, between: (a) The accountant and the immediate or close family member; (b) The immediate or close family member and the existing or prospective client; and (c) The accountant and the existing or prospective client. For example, the offer of employment, outside of the normal recruitment process, to the spouse of the accountant by a client for whom the accountant is providing a business valuation for a prospective sale might indicate such intent. | The factors set out in paragraph 340.9 A3 are relevant in determining whether there is actual or perceived intent to improperly influence the behavior of the chartered accountant or of the existing or prospective client. Another factor that is relevant is the nature or closeness of the relationship, between: (a) The accountant and the immediate or close family member; (b) The immediate or close family member and the existing or prospective client; and (c) The accountant and the existing or prospective client. For example, the offer of employment, outside of the normal recruitment process, to the spouse of the accountant by a client for whom the accountant is providing a business valuation for a prospective sale might indicate such intent. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 340.13A2 | The application material in paragraph 340.10 A2 is also relevant in addressing | The application material in paragraph 340.10 A2 is also relevant in addressing threats that might be | Terminology differs: 'chartered |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | threats that might be created when there is actual or perceived intent to improperly influence the behavior of the professional accountant, or of the existing or prospective client even if the immediate or close family member has followed the advice given pursuant to paragraph R340.13. | created when there is actual or perceived intent to improperly influence the behavior of the chartered accountant, or of the existing or prospective client even if the immediate or close family member has followed the advice given pursuant to paragraph R340.13. | accountant' vs 'professional accountant'" |
| 340.14A1 | Where the professional accountant becomes aware of an inducement offered in the circumstances addressed in paragraph R340.12, threats to compliance with the fundamental principles might be created where: (a) The immediate or close family member offers or accepts the inducement contrary to the advice of the accountant pursuant to paragraph R340.13; or (b) The accountant does not have reason to believe an actual or perceived intent to improperly influence the behavior of the accountant or of the existing or prospective client exists. | Where the chartered accountant becomes aware of an inducement offered in the circumstances addressed in paragraph R340.12, threats to compliance with the fundamental principles might be created where: (a) The immediate or close family member offers or accepts the inducement contrary to the advice of the accountant pursuant to paragraph R340.13; or (b) The accountant does not have reason to believe an actual or perceived intent to improperly influence the behavior of the accountant or of the existing or prospective client exists. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 340.14A2 | The application material in paragraphs 340.11 A1 to 340.11 A6 is relevant for the purposes of identifying, evaluating and addressing such threats. Factors that are relevant in evaluating the level of threats in these circumstances also include the nature or closeness of the relationships set out in paragraph 340.13 A1. | The application material in paragraphs 340.11 A1 to 340.11 A6 is relevant for the purposes of identifying, evaluating and addressing such threats. Factors that are relevant in evaluating the level of threats in these circumstances also include the nature or closeness of the relationships set out in paragraph 340.13 A1. | No Change |
| 340.15A1 | If a professional accountant encounters or is made aware of inducements that might result in non-compliance or suspected non-compliance with laws and regulations by a client or individuals working for or under the direction of the client, the requirements and application material in Section 360 apply. | If a chartered accountant encounters or is made aware of inducements that might result in non-compliance or suspected non- compliance with laws and regulations by a client or individuals working for or under the direction of the client, the requirements and application material in Section 360 apply. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 340.15A2 | If a firm, network firm or an audit team member is being offered gifts or hospitality from an audit client, the requirement and application material set out in Section 420 apply. | If a firm, network firm or an audit team member is being offered gifts or hospitality from an audit client, the requirement and application material set out in Section 420 apply. | No Change |
| 340.15A3 | If a firm or an assurance team member is being offered gifts or hospitality from an assurance client, the requirement and application material set out in Section 906 apply. | If a firm or an assurance team member is being offered gifts or hospitality from an assurance client, the requirement and application material set out in Section 906 apply. | No Change |
| 350.1 | Professional accountants are required to comply with the fundamental principles and apply the conceptual framework set out in | Chartered accountants are required to comply with the fundamental principles and apply the conceptual | Terminology differs: 'chartered accountant' vs |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | Section 120 to identify, evaluate and address threats. | framework set out in Section 120 to identify, evaluate and address threats. | 'professional accountant'" |
| 350.2 | Holding client assets creates a self-interest or other threat to compliance with the principles of professional behavior and objectivity. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | Holding client assets creates a self-interest or other threat to compliance with the principles of professional behavior and objectivity. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | No Change |
| 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. | A chartered 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. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 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. | As part of client and engagement acceptance procedures related to assuming custody of client money or assets, a chartered accountant shall: (a) Make inquiries about the source of the assets; and (b) Consider related legal and regulatory obligations. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 350.4A1 | 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. | 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. | No Change |
| R350.5 | A professional accountant entrusted with money or other assets belonging to others shall: (a) Comply with the laws and regulations relevant to holding and accounting for the assets; (b) Keep the assets separately from personal or firm assets; (c) Use the assets only for the purpose for which they are intended; and (d) Be ready at all times to account for the assets and any income, dividends, or gains generated, to any individuals entitled to that accounting. | A chartered accountant entrusted with money or other assets belonging to others shall: (a) Comply with the laws and regulations relevant to holding and accounting for the assets; (b) Keep the assets separately from personal or firm assets; (c) Use the assets only for the purpose for which they are intended; and (d) Be ready at all times to account for the assets and any income, dividends, or gains generated, to any individuals entitled to that accounting. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 360.1 | 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. | Chartered 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. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 360.2 | A self-interest or intimidation threat to compliance with the principles of integrity and professional behavior is created when a | A self-interest or intimidation threat to compliance with the principles of integrity and professional behavior is created when a chartered accountant | Terminology differs: 'chartered accountant' vs |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | professional accountant becomes aware of non-compliance or suspected non-compliance with laws and regulations. | becomes aware of non-compliance or suspected non- compliance with laws and regulations. | 'professional accountant'" |
| 360.3 | A professional accountant might encounter or be made aware of non-compliance or suspected non-compliance in the course of providing a professional service to a client. This section guides the accountant in assessing the implications of the matter and the possible courses of action when responding to non- compliance or suspected non-compliance with: (a) Laws and regulations generally recognized to have a direct effect on the determination of material amounts and disclosures in the client's financial statements; and (b) Other laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the client's financial statements, but compliance with which might be fundamental to the operating aspects of the client's business, to its ability to continue its business, or to avoid material penalties. | A chartered accountant might encounter or be made aware of non- compliance or suspected non-compliance in the course of providing a professional service to a client. This section guides the accountant in assessing the implications of the matter and the possible courses of action when responding to non-compliance or suspected non-compliance with: (a) Laws and regulations generally recognized to have a direct effect on the determination of material amounts and disclosures in the client's financial statements; and (b) Other laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the client's financial statements, but compliance with which might be fundamental to the operating aspects of the client's business, to its ability to continue its business, or to avoid material penalties. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 360.4 | A distinguishing mark of the accountancy profession is its acceptance of the responsibility to act in the public interest. When responding to non-compliance or suspected non- compliance, the objectives of the professional accountant are: (a) To comply with the principles of integrity and professional behavior; (b) By alerting management or, where appropriate, those charged with governance of the client, to seek to: (i) Enable them to rectify, remediate or mitigate the consequences of the identified or suspected non- compliance; or (ii) Deter the commission of the non-compliance where it has not yet occurred; and (c) To take such further action as appropriate in the public interest. | A distinguishing mark of the accountancy profession is its acceptance of the responsibility to act in the public interest. When responding to non- compliance or suspected non-compliance, the objectives of the chartered accountant are: (a) To comply with the principles of integrity and professional behavior; (b) By alerting management or, where appropriate, those charged with governance of the client, to seek to: (i) Enable them to rectify, remediate or mitigate the consequences of the identified or suspected non- compliance; or (ii) Deter the commission of the non-compliance where it has not yet occurred; and To take such further action as appropriate in the public interest. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 360.4A1 | Not Present | If management and those charged with governance do not understand their legal or regulatory responsibilities with respect to the matter, the chartered accountant might suggest appropriate sources of information or recommend that they obtain legal advice. | Referenceissue covered in IESBA 360.14A1 |
| 360.5A1 | Non-compliance with laws and regulations ("non-compliance") comprises acts of omission or commission, intentional or unintentional, which are contrary to the | Non-compliance with laws and regulations ("non-compliance") comprises acts of omission or commission, intentional or unintentional, which are contrary to the prevailing laws or regulations | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | prevailing laws or regulations committed by the following parties: (a) A client; (b) Those charged with governance of a client; (c) Management of a client; or (d) Other individuals working for or under the direction of a client. | committed by the following parties: (a) A client; (b) Those charged with governance of a client; (c) Management of a client; or (d) Other individuals working for or under the direction of a client. | |
| 360.5A2 | Examples of laws and regulations which this section addresses include those that deal with: • Fraud, corruption and bribery. • Money laundering, terrorist financing and proceeds of crime. • Securities markets and trading. • Banking and other financial products and services. • Data protection. • Tax and pension liabilities and payments. • Environmental protection. • Public health and safety. | Examples of laws and regulations which this section addresses include those that deal with: • Fraud, corruption and bribery. • Money laundering, terrorist financing and proceeds of crime. • Securities markets and trading. • Banking and other financial products and services. • Data protection. • Tax and pension liabilities and payments. • Environmental protection. • Public health and safety. | No Change |
| 360.5A3 | Non-compliance might result in fines, litigation or other consequences for the client, potentially materially affecting its financial statements. Importantly, such non-compliance might have wider public interest implications in terms of potentially substantial harm to investors, creditors, employees or the general public. For the purposes of this section, an act that causes substantial harm is one that results in serious adverse consequences to any of these parties in financial or non-financial terms. Examples include the perpetration of a fraud resulting in significant financial losses to investors, and breaches of environmental laws and regulations endangering the health or safety of employees or the public. | Non-compliance might result in fines, litigation or other consequences for the client, potentially materially affecting its financial statements. Importantly, such non-compliance might have wider public interest implications in terms of potentially substantial harm to investors, creditors, employees or the general public. For the purposes of this section, an act that causes substantial harm is one that results in serious adverse consequences to any of these parties in financial or non- financial terms. Examples include the perpetration of a fraud resulting in significant financial losses to investors, and breaches of environmental laws and regulations endangering the health or safety of employees or the public. | No Change |
| R360.6 | In some jurisdictions, there are legal or regulatory provisions governing how professional accountants should address non- compliance or suspected non-compliance. These legal or regulatory provisions might differ from or go beyond the provisions in this section. When encountering such non- compliance or suspected non-compliance, the accountant shall obtain an understanding of those legal or regulatory provisions and comply with them, including: (a) Any requirement to report the matter to an appropriate authority; and (b) Any prohibition on alerting the client. | In some jurisdictions, there are legal or regulatory provisions governing how chartered accountants should address non-compliance or suspected non-compliance. These legal or regulatory provisions might differ from or go beyond the provisions in this section. When encountering such non-compliance or suspected non-compliance, the accountant shall obtain an understanding of those legal or regulatory provisions and comply with them, including: (a) Any requirement to report the matter to an appropriate authority; and (b) Any prohibition on alerting the client. | Terminology differs: ‘chartered accountant’ vs ‘professional accountant’” |
| 360.6A1 | A prohibition on alerting the client might arise, for example, pursuant to anti-money laundering legislation. | A prohibition on alerting the client might arise, for example, pursuant to anti-money laundering legislation. | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 360.7A1 | This section applies regardless of the nature of the client, including whether or not it is a public interest entity. | This section applies regardless of the nature of the client, including whether or not it is a public interest entity. | No Change |
| 360.7A2 | A professional accountant who encounters or is made aware of matters that are clearly inconsequential is not required to comply with this section. Whether a matter is clearly inconsequential is to be judged with respect to its nature and its impact, financial or otherwise, on the client, its stakeholders and the general public. | A chartered accountant who encounters or is made aware of matters that are clearly inconsequential is not required to comply with this section. Whether a matter is clearly inconsequential is to be judged with respect to its nature and its impact, financial or otherwise, on the client, its stakeholders and the general public. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 360.7A3 | This section does not address: (a) Personal misconduct unrelated to the business activities of the client; and (b) Non-compliance by parties other than those specified in paragraph 360.5 A1. This includes, for example, circumstances where a professional accountant has been engaged by a client to perform a due diligence assignment on a third party entity and the identified or suspected non-compliance has been committed by that third-party. The accountant might nevertheless find the guidance in this section helpful in considering how to respond in these situations. | This section does not address: (a) Personal misconduct unrelated to the business activities of the client; and (b) Non-compliance by parties other than those specified in paragraph 360.5 A1. This includes, for example, circumstances where a chartered accountant has been engaged by a client to perform a due diligence assignment on a third party entity and the identified or suspected non-compliance has been committed by that third-party. The accountant might nevertheless find the guidance in this section helpful in considering how to respond in these situations. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 360.8A1 | Management, with the oversight of those charged with governance, is responsible for ensuring that the client's business activities are conducted in accordance with laws and regulations. Management and those charged with governance are also responsible for identifying and addressing any non-compliance by: (a) The client; (b) An individual charged with governance of the entity; (c) A member of management; or (d) Other individuals working for or under the direction of the client. | Management, with the oversight of those charged with governance, is responsible for ensuring that the client's business activities are conducted in accordance with laws and regulations. Management and those charged with governance are also responsible for identifying and addressing any non-compliance by: (a) The client; (b) An individual charged with governance of the entity; (c) A member of management; or (d) Other individuals working for or under the direction of the client. | No Change |
| R360.9 | Where a professional accountant becomes aware of a matter to which this section applies, the steps that the accountant takes to comply with this section shall be taken on a timely basis. In taking timely steps, the accountant shall have regard to the nature of the matter and the potential harm to the interests of the entity, investors, creditors, employees or the general public. | Where a chartered accountant becomes aware of a matter to which this section applies, the steps that the accountant takes to comply with this section shall be taken on a timely basis. In taking timely steps, the accountant shall have regard to the nature of the matter and the potential harm to the interests of the entity, investors, creditors, employees or the general public. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R360.10 | If a professional accountant engaged to perform an audit of financial statements becomes aware of information concerning | If a chartered accountant engaged to perform an audit of financial statements becomes aware of information concerning non-compliance or | Terminology differs: 'chartered accountant' vs |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | non-compliance or suspected non-compliance, the accountant shall obtain an understanding of the matter. This understanding shall include the nature of the non-compliance or suspected non-compliance and the circumstances in which it has occurred or might occur. | suspected non-compliance, the accountant shall obtain an understanding of the matter. This understanding shall include the nature of the non-compliance or suspected non-compliance and the circumstances in which it has occurred or might occur. | 'professional accountant'" |
| 360.10A1 | The professional accountant might become aware of the non- compliance or suspected non-compliance in the course of performing the engagement or through information provided by other parties. | The chartered accountant might become aware of the non- compliance or suspected non-compliance in the course of performing the engagement or through information provided by other parties. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 360.10A2 | The professional accountant is expected to apply knowledge and expertise, and exercise professional judgment. However, the accountant is not expected to have a level of knowledge of laws and regulations greater than that which is required to undertake the engagement. Whether an act constitutes non-compliance is ultimately a matter to be determined by a court or other appropriate adjudicative body. | The chartered accountant is expected to apply knowledge and expertise, and exercise professional judgment. However, the accountant is not expected to have a level of knowledge of laws and regulations greater than that which is required to undertake the engagement. Whether an act constitutes non-compliance is ultimately a matter to be determined by a court or other appropriate adjudicative body. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 360.10A3 | Depending on the nature and significance of the matter, the professional accountant might consult on a confidential basis with others within the firm, a network firm or a professional body, or with legal counsel. | Depending on the nature and significance of the matter, the chartered accountant might consult on a confidential basis with others within the firm, a network firm or a professional body, or with legal counsel. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R360.11 | If the professional accountant identifies or suspects that non- compliance has occurred or might occur, the accountant shall discuss the matter with the appropriate level of management and, where appropriate, those charged with governance. | If the chartered accountant identifies or suspects that non- compliance has occurred or might occur, the accountant shall discuss the matter with the appropriate level of management and, where appropriate, those charged with governance. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 360.11A1 | The purpose of the discussion is to clarify the professional accountant's understanding of the facts and circumstances relevant to the matter and its potential consequences. The discussion also might prompt management or those charged with governance to investigate the matter. | The purpose of the discussion is to clarify the chartered accountant's understanding of the facts and circumstances relevant to the matter and its potential consequences. The discussion also might prompt management or those charged with governance to investigate the matter. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 360.11A2 | The appropriate level of management with whom to discuss the matter is a question of professional judgment. Relevant factors to consider include: • The nature and circumstances of the matter. • The individuals actually or potentially involved. • The likelihood of collusion. • The potential consequences of the matter. • Whether that | The appropriate level of management with whom to discuss the matter is a question of professional judgment. Relevant factors to consider include: • The nature and circumstances of the matter. • The individuals actually or potentially involved. • The likelihood of collusion. • The potential consequences of the matter. • Whether that level of management is | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | level of management is able to investigate the matter and take appropriate action. | able to investigate the matter and take appropriate action. | |
| 360.11A3 | The appropriate level of management is usually at least one level above the individual or individuals involved or potentially involved in the matter. In the context of a group, the appropriate level might be management at an entity that controls the client. | The appropriate level of management is usually at least one level above the individual or individuals involved or potentially involved in the matter. In the context of a group, the appropriate level might be management at an entity that controls the client. | No Change |
| 360.11A4 | The professional accountant might also consider discussing the matter with internal auditors, where applicable. | The chartered accountant might also consider discussing the matter with internal auditors, where applicable. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R360.12 | If the professional accountant believes that management is involved in the non-compliance or suspected non-compliance, the accountant shall discuss the matter with those charged with governance. | If the chartered accountant believes that management is involved in the non-compliance or suspected non-compliance, the accountant shall discuss the matter with those charged with governance. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R360.13 | In discussing the non-compliance or suspected non-compliance with management and, where appropriate, those charged with governance, the professional accountant shall advise them to take appropriate and timely actions, if they have not already done so, to: (a) Rectify, remediate or mitigate the consequences of the non-compliance; (b) Deter the commission of the non-compliance where it has not yet occurred; or (c) Disclose the matter to an appropriate authority where required by law or regulation or where considered necessary in the public interest. | In discussing the non-compliance or suspected non-compliance with management and, where appropriate, those charged with governance, the chartered accountant shall advise them to take appropriate and timely actions, if they have not already done so, to: (a) Rectify, remediate or mitigate the consequences of the non- compliance; (b) Deter the commission of the non-compliance where it has not yet occurred; or (c) Disclose the matter to an appropriate authority where required by law or regulation or where considered necessary in the public interest. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R360.14 | The professional accountant shall consider whether management and those charged with governance understand their legal or regulatory responsibilities with respect to the non- compliance or suspected non-compliance. | The chartered accountant shall consider whether management and those charged with governance understand their legal or regulatory responsibilities with respect to the non-compliance or suspected non- compliance. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 360.14A1 | If management and those charged with governance do not understand their legal or regulatory responsibilities with respect to the matter, the professional accountant might suggest appropriate sources of information or recommend that they obtain legal advice. | **Not Present** | Referenceissue covered in ICAP 360.4A1 |
| R360.15 | The professional accountant shall comply with applicable: (a) Laws and regulations, | The chartered accountant shall comply with applicable: (a) Laws and regulations, including legal | Terminology differs: 'chartered |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | including legal or regulatory provisions governing the reporting of non-compliance or suspected non-compliance to an appropriate authority; and (b) Requirements under auditing standards, including those relating to: • Identifying and responding to non-compliance, including fraud. • Communicating with those charged with governance. • Considering the implications of the non-compliance or suspected non-compliance for the auditor's report. | or regulatory provisions governing the reporting of non-compliance or suspected non- compliance to an appropriate authority; and (b) Requirements under auditing standards, including those relating to: 112 \• Identifying and responding to non-compliance, including fraud. • Communicating with those charged with governance. • Considering the implications of the non-compliance or suspected non-compliance for the auditor's report. | accountant' vs 'professional accountant'" |
| 360.15A1 | Some laws and regulations might stipulate a period within which reports of non-compliance or suspected non-compliance are to be made to an appropriate authority. | Some laws and regulations might stipulate a period within which reports of non-compliance or suspected non-compliance are to be made to an appropriate authority. | No Change |
| R360.16 | Where a professional accountant becomes aware of non- compliance or suspected non-compliance in either of the following two situations in the context of a group, the accountant shall communicate the matter to the group engagement partner unless prohibited from doing so by law or regulation: (a) The accountant performs audit work related to a component for purposes of the group audit; or (b) The accountant is engaged to perform an audit of the financial statements of a legal entity or business unit that is part of a group for purposes other than the group audit, for example, a statutory audit. The communication to the group engagement partner shall be in addition to responding to the matter in accordance with the provisions of this section. | Where a chartered accountant becomes aware of non-compliance or suspected non-compliance in either of the following two situations in the context of a group, the accountant shall communicate the matter to the group engagement partner unless prohibited from doing so by law or regulation: (a) The accountant performs audit work related to a component for purposes of the group audit; or (b) The accountant is engaged to perform an audit of the financial statements of a legal entity or business unit that is part of a group for purposes other than the group audit, for example, a statutory audit. The communication to the group engagement partner shall be in addition to responding to the matter in accordance with the provisions of this section. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 360.16A1 | The purpose of the communication is to enable the group engagement partner to be informed about the matter and to determine, in the context of the group audit, whether and, if so, how to address it in accordance with the provisions in this section. The communication requirement in paragraph R360.16 applies regardless of whether the group engagement partner's firm or network is the same as or different from the professional accountant's firm or network. | The purpose of the communication is to enable the group engagement partner to be informed about the matter and to determine, in the context of the group audit, whether and, if so, how to address it in accordance with the provisions in this section. The communication requirement in paragraph R360.16 applies regardless of whether the group engagement partner's firm or network is the same as or different from the chartered accountant's firm or network. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R360.17 | Where the group engagement partner becomes aware of non- compliance or suspected non-compliance in the course of a group audit, the group engagement partner shall consider whether the matter might be relevant to: (a) One or more | Where the group engagement partner becomes aware of non- compliance or suspected non-compliance in the course of a group audit, the group engagement partner shall consider whether the matter might be relevant to: (a) One or more components subject to audit work for purposes of | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | components subject to audit work for purposes of the group audit; or (b) One or more legal entities or business units that are part of the group and whose financial statements are subject to audit for purposes other than the group audit, for example, a statutory audit. This consideration shall be in addition to responding to the matter in the context of the group audit in accordance with the provisions of this section. | the group audit; or (b) One or more legal entities or business units that are part of the group and whose financial statements are subject to audit for purposes other than the group audit, for example, a statutory audit. This consideration shall be in addition to responding to the matter in the context of the group audit in accordance with the provisions of this section. | |
| R360.18 | If the non-compliance or suspected non-compliance might be relevant to one or more of the components specified in paragraph R360.17(a) and legal entities or business units specified in paragraph R360.17(b), the group engagement partner shall take steps to have the matter communicated to those performing audit work at the components, legal entities or business units, unless prohibited from doing so by law or regulation. If necessary, the group engagement partner shall arrange for appropriate inquiries to be made (either of management or from publicly available information) as to whether the relevant legal entities or business units specified in paragraph R360.17(b) are subject to audit and, if so, to ascertain to the extent practicable the identity of the auditors. | If the non-compliance or suspected non-compliance might be relevant to one or more of the components specified in paragraph R360.17(a) and legal entities or business units specified in paragraph R360.17(b), the group engagement partner shall take steps to have the matter communicated to those performing audit work at the components, legal entities or business units, unless prohibited from doing so by law or regulation. If necessary, the group engagement partner shall arrange for appropriate inquiries to be made (either of management or from publicly available information) as to whether the relevant legal entities or business units specified in paragraph R360.17(b) are subject to audit and, if so, to ascertain to the extent practicable the identity of the auditors. | No Change |
| 360.18A1 | The purpose of the communication is to enable those responsible for audit work at the components, legal entities or business units to be informed about the matter and to determine whether and, if so, how to address it in accordance with the provisions in this section. The communication requirement applies regardless of whether the group engagement partner's firm or network is the same as or different from the firms or networks of those performing audit work at the components, legal entities or business units. | The purpose of the communication is to enable those responsible for audit work at the components, legal entities or business units to be informed about the matter and to determine whether and, if so, how to address it in accordance with the provisions in this section. The communication requirement applies regardless of whether the group engagement partner's firm or network is the same as or different from the firms or networks of those performing audit work at the components, legal entities or business units. | No Change |
| R360.19 | The professional accountant shall assess the appropriateness of the response of management and, where applicable, those charged with governance. | The chartered accountant shall assess the appropriateness of the response of management and, where applicable, those charged with governance. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 360.19A1 | Relevant factors to consider in assessing the appropriateness of the response of management and, where applicable, those charged with governance include whether: • | Relevant factors to consider in assessing the appropriateness of the response of management and, where applicable, those charged with governance include whether: • The response is | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | The response is timely. • The non-compliance or suspected non-compliance has been adequately investigated. • Action has been, or is being, taken to rectify, remediate or mitigate the consequences of any non-compliance. • Action has been, or is being, taken to deter the commission of any non-compliance where it has not yet occurred. • Appropriate steps have been, or are being, taken to reduce the risk of re-occurrence, for example, additional controls or training. • The non-compliance or suspected non-compliance has been disclosed to an appropriate authority where appropriate and, if so, whether the disclosure appears adequate. | timely. • The non-compliance or suspected non-compliance has been adequately investigated. • Action has been, or is being, taken to rectify, remediate or mitigate the consequences of any non-compliance. • Action has been, or is being, taken to deter the commission of any non-compliance where it has not yet occurred. • Appropriate steps have been, or are being, taken to reduce the risk of re-occurrence, for example, additional controls or training. • The non-compliance or suspected non-compliance has been disclosed to an appropriate authority where appropriate and, if so, whether the disclosure appears adequate. | |
| R360.20 | In light of the response of management and, where applicable, those charged with governance, the professional accountant shall determine if further action is needed in the public interest. | In light of the response of management and, where applicable, those charged with governance, the chartered accountant shall determine if further action is needed in the public interest. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 360.20A1 | The determination of whether further action is needed, and the nature and extent of it, will depend on various factors, including: • The legal and regulatory framework. • The urgency of the situation. • The pervasiveness of the matter throughout the client. • Whether the professional accountant continues to have confidence in the integrity of management and, where applicable, those charged with governance. • Whether the non-compliance or suspected non- compliance is likely to recur. • Whether there is credible evidence of actual or potential substantial harm to the interests of the entity, investors, creditors, employees or the general public. | The determination of whether further action is needed, and the nature and extent of it, will depend on various factors, including: • The legal and regulatory framework. • The urgency of the situation. • The pervasiveness of the matter throughout the client. • Whether the chartered accountant continues to have confidence in the integrity of management and, where applicable, those charged with governance. • Whether the non-compliance or suspected non-compliance is likely to recur. • Whether there is credible evidence of actual or potential substantial harm to the interests of the entity, investors, creditors, employees or the general public. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 360.20A2 | Examples of circumstances that might cause the professional accountant no longer to have confidence in the integrity of management and, where applicable, those charged with governance include situations where: • The accountant suspects or has evidence of their involvement or intended involvement in any non- compliance. • The accountant is aware that they have knowledge of such non-compliance and, contrary to legal or regulatory requirements, have not reported, or authorized the reporting of, the matter to an appropriate authority within a reasonable period. | Examples of circumstances that might cause the chartered accountant no longer to have confidence in the integrity of management and, where applicable, those charged with governance include situations where: • The accountant suspects or has evidence of their involvement or intended involvement in any non-compliance. • The accountant is aware that they have knowledge of such non- compliance and, contrary to legal or regulatory requirements, have not reported, or authorized the reporting of, the matter to an appropriate authority within a reasonable period. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

**Annexure B**

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| R360.21 | The professional accountant shall exercise professional judgment in determining the need for, and nature and extent of, further action. In making this determination, the accountant shall take into account whether a reasonable and informed third party would be likely to conclude that the accountant has acted appropriately in the public interest. | The chartered accountant shall exercise professional judgment in determining the need for, and nature and extent of, further action. In making this determination, the accountant shall take into account whether a reasonable and informed third party would be likely to conclude that the accountant has acted appropriately in the public interest. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 360.21A1 | Further action that the professional accountant might take includes: • Disclosing the matter to an appropriate authority even when there is no legal or regulatory requirement to do so. • Withdrawing from the engagement and the professional relationship where permitted by law or regulation. | Further action that the chartered accountant might take includes: • Disclosing the matter to an appropriate authority even when there is no legal or regulatory requirement to do so. • Withdrawing from the engagement and the professional relationship where permitted by law or regulation | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 360.21A2 | Withdrawing from the engagement and the professional relationship is not a substitute for taking other actions that might be needed to achieve the professional accountant's objectives under this section. In some jurisdictions, however, there might be limitations as to the further actions available to the accountant. In such circumstances, withdrawal might be the only available course of action. | Withdrawing from the engagement and the professional relationship is not a substitute for taking other actions that might be needed to achieve the chartered accountant's objectives under this section. In some jurisdictions, however, there might be limitations as to the further actions available to the accountant. In such circumstances, withdrawal might be the only available course of action. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R360.22 | Where the professional accountant has withdrawn from the professional relationship pursuant to paragraphs R360.20 and 360.21 A1, the accountant shall, on request by the proposed accountant pursuant to paragraph R320.8, provide all relevant facts and other information concerning the identified or suspected non-compliance to the proposed accountant. The predecessor accountant shall do so, even in the circumstances addressed in paragraph R320.8(b) where the client fails or refuses to grant the predecessor accountant permission to discuss the client's affairs with the proposed accountant, unless prohibited by law or regulation. | Where the chartered accountant has withdrawn from the professional relationship pursuant to paragraphs R360.20 and 360.21 A1, the accountant shall, on request by the proposed accountant pursuant to paragraph R320.8, provide all relevant facts and other information concerning the identified or suspected non-compliance to the proposed accountant. The predecessor accountant shall do so, even in the circumstances addressed in paragraph R320.8(b) where the client fails or refuses to grant the predecessor accountant permission to discuss the client's affairs with the proposed accountant, unless prohibited by law or regulation. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 360.22A1 | The facts and other information to be provided are those that, in the predecessor accountant's opinion, the proposed accountant needs to be aware of before deciding whether to accept the audit appointment. Section 320 addresses communications from proposed accountants. | The facts and other information to be provided are those that, in the predecessor accountant's opinion, the proposed accountant needs to be aware of before deciding whether to accept the audit appointment. Section 320 addresses communications from proposed accountants. | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| R360.23 | If the proposed accountant is unable to communicate with the predecessor accountant, the proposed accountant shall take reasonable steps to obtain information about the circumstances of the change of appointment by other means. | If the proposed accountant is unable to communicate with the predecessor accountant, the proposed accountant shall take reasonable steps to obtain information about the circumstances of the change of appointment by other means. | No Change |
| 360.23A1 | Other means to obtain information about the circumstances of the change of appointment include inquiries of third parties or background investigations of management or those charged with governance. | Other means to obtain information about the circumstances of the change of appointment include inquiries of third parties or background investigations of management or those charged with governance. | No Change |
| 360.23A2 | **Not Present** | As assessment of the matter might involve complex analysis and judgments, the chartered accountant might consider: • Consulting internally. • Obtaining legal advice to understand the accountant's options and the professional or legal implications of taking any particular course of action. • Consulting on a confidential basis with a regulatory or professional body. | Reference issue, covered in IESBA 360.24A1 |
| 360.24A1 | As assessment of the matter might involve complex analysis and judgments, the professional accountant might consider: • Consulting internally. • Obtaining legal advice to understand the accountant's options and the professional or legal implications of taking any particular course of action. • Consulting on a confidential basis with a regulatory or professional body. Determining Whether to Disclose the Matter to an Appropriate Authority | **Not Present** | Reference issue, covered in ICAP 360.23A1 |
| 360.25A1 | Disclosure of the matter to an appropriate authority would be precluded if doing so would be contrary to law or regulation. Otherwise, the purpose of making disclosure is to enable an appropriate authority to cause the matter to be investigated and action to be taken in the public interest. | Disclosure of the matter to an appropriate authority would be precluded if doing so would be contrary to law or regulation. Otherwise, the purpose of making disclosure is to enable an appropriate authority to cause the matter to be investigated and action to be taken in the public interest. | No Change |
| 360.25A2 | The determination of whether to make such a disclosure depends in particular on the nature and extent of the actual or potential harm that is or might be caused by the matter to investors, creditors, employees or the general public. For example, the professional accountant might determine that disclosure of the matter to an appropriate authority is an appropriate course of action if: • The entity is engaged in bribery (for example, of local or foreign government officials for purposes of securing large contracts). • The entity is | The determination of whether to make such a disclosure depends in particular on the nature and extent of the actual or potential harm that is or might be caused by the matter to investors, creditors, employees or the general public. For example, the chartered accountant might determine that disclosure of the matter to an appropriate authority is an appropriate course of action if: • The entity is engaged in bribery (for example, of local or foreign government officials for purposes of securing large contracts). • The entity is regulated and the matter is of such significance as to threaten its license to operate. • The entity is listed on a securities | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | regulated and the matter is of such significance as to threaten its license to operate. • The entity is listed on a securities exchange and the matter might result in adverse consequences to the fair and orderly market in the entity's securities or pose a systemic risk to the financial markets. • It is likely that the entity would sell products that are harmful to public health or safety. • The entity is promoting a scheme to its clients to assist them in evading taxes. | exchange and the matter might result in adverse consequences to the fair and orderly market in the entity's securities or pose a systemic risk to the financial markets. • It is likely that the entity would sell products that are harmful to public health or safety. • The entity is promoting a scheme to its clients to assist them in evading taxes. | |
| 360.25A3 | The determination of whether to make such a disclosure will also depend on external factors such as: • Whether there is an appropriate authority that is able to receive the information, and cause the matter to be investigated and action to be taken. The appropriate authority will depend on the nature of the matter. For example, the appropriate authority would be a securities regulator in the case of fraudulent financial reporting or an environmental protection agency in the case of a breach of environmental laws and regulations. • Whether there exists robust and credible protection from civil, criminal or professional liability or retaliation afforded by legislation or regulation, such as under whistle-blowing legislation or regulation. • Whether there are actual or potential threats to the physical safety of the professional accountant or other individuals. | The determination of whether to make such a disclosure will also depend on external factors such as: • Whether there is an appropriate authority that is able to receive the information, and cause the matter to be investigated and action to be taken. The appropriate authority will depend on the nature of the matter. For example, the appropriate authority would be a securities regulator in the case of fraudulent financial reporting or an environmental protection agency in the case of a breach of environmental laws and regulations. • Whether there exists robust and credible protection from civil, criminal or professional liability or retaliation afforded by legislation or regulation, such as under whistle-blowing legislation or regulation. • Whether there are actual or potential threats to the physical safety of the chartered accountant or other individuals. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R360.26 | If the professional accountant determines that disclosure of the non-compliance or suspected non-compliance to an appropriate authority is an appropriate course of action in the circumstances, that disclosure is permitted pursuant to paragraph R114.3 of the Code. When making such disclosure, the accountant shall act in good faith and exercise caution when making statements and assertions. The accountant shall also consider whether it is appropriate to inform the client of the accountant's intentions before disclosing the matter. | If the chartered accountant determines that disclosure of the non- compliance or suspected non-compliance to an appropriate authority is an appropriate course of action in the circumstances, that disclosure is permitted pursuant to paragraph R114.1(d) of the Code. When making such disclosure, the accountant shall act in good faith and exercise caution when making statements and assertions. The accountant shall also consider whether it is appropriate to inform the client of the accountant's intentions before disclosing the matter. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R360.27 | In exceptional circumstances, the professional accountant might become aware of actual or intended conduct that the accountant has reason to believe would constitute an imminent breach of a law or regulation that would cause substantial harm to investors, creditors, employees or | In exceptional circumstances, the chartered accountant might become aware of actual or intended conduct that the accountant has reason to believe would constitute an imminent breach of a law or regulation that would cause substantial harm to investors, creditors, employees or the general public. Having first considered whether it would be | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | the general public. Having first considered whether it would be appropriate to discuss the matter with management or those charged with governance of the entity, the accountant shall exercise professional judgment and determine whether to disclose the matter immediately to an appropriate authority in order to prevent or mitigate the consequences of such imminent breach. If disclosure is made, that disclosure is permitted pursuant to paragraph R114.3 of the Code. | appropriate to discuss the matter with management or those charged with governance of the entity, the accountant shall exercise professional judgment and determine whether to disclose the matter immediately to an appropriate authority in order to prevent or mitigate the consequences of such imminent breach. If disclosure is made, that disclosure is permitted pursuant to paragraph R114.1(d) of the Code. | |
| R360.28 | In relation to non-compliance or suspected non-compliance that falls within the scope of this section, the professional accountant shall document: • How management and, where applicable, those charged with governance have responded to the matter. • The courses of action the accountant considered, the judgments made and the decisions that were taken, having regard to the reasonable and informed third party test. • How the accountant is satisfied that the accountant has fulfilled the responsibility set out in paragraph R360.20. | In relation to non-compliance or suspected non-compliance that falls within the scope of this section, the chartered accountant shall document: • How management and, where applicable, those charged with governance have responded to the matter. • The courses of action the accountant considered, the judgments made and the decisions that were taken, having regard to the reasonable and informed third party test. • How the accountant is satisfied that the accountant has fulfilled the responsibility set out in paragraph R360.20. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 360.28A1 | This documentation is in addition to complying with the documentation requirements under applicable auditing standards. ISAs, for example, require a professional accountant performing an audit of financial statements to: • Prepare documentation sufficient to enable an understanding of significant matters arising during the audit, the conclusions reached, and significant professional judgments made in reaching those conclusions; • Document discussions of significant matters with management, those charged with governance, and others, including the nature of the significant matters discussed and when and with whom the discussions took place; and • Document identified or suspected non-compliance, and the results of discussion with management and, where applicable, those charged with governance and other parties outside the entity. | This documentation is in addition to complying with the documentation requirements under applicable auditing standards. ISAs, for example, require a chartered accountant performing an audit of financial statements to: • Prepare documentation sufficient to enable an understanding of significant matters arising during the audit, the conclusions reached, and significant professional judgments made in reaching those conclusions; • Document discussions of significant matters with management, those charged with governance, and others, including the nature of the significant matters discussed and when and with whom the discussions took place; and • Document identified or suspected non-compliance, and the results of discussion with management and, where applicable, those charged with governance and other parties outside the entity. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R360.29 | If a professional accountant engaged to provide a professional service other than an audit of financial statements becomes aware of information concerning non-compliance or suspected non-compliance, the accountant shall seek to obtain an understanding of the matter. This | If a chartered accountant engaged to provide a professional service other than an audit of financial statements becomes aware of information concerning non-compliance or suspected non-compliance, the accountant shall seek to obtain an understanding of the matter. This understanding shall include the nature of the non-compliance or | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | understanding shall include the nature of the non-compliance or suspected non-compliance and the circumstances in which it has occurred or might be about to occur. | suspected non-compliance and the circumstances in which it has occurred or might be about to occur. | |
| 360.29A1 | The professional accountant is expected to apply knowledge and expertise, and exercise professional judgment. However, the accountant is not expected to have a level of understanding of laws and regulations beyond that which is required for the professional service for which the accountant was engaged. Whether an act constitutes actual non-compliance is ultimately a matter to be determined by a court or other appropriate adjudicative body. | The chartered accountant is expected to apply knowledge and expertise, and exercise professional judgment. However, the accountant is not expected to have a level of understanding of laws and regulations beyond that which is required for the professional service for which the accountant was engaged. Whether an act constitutes actual non-compliance is ultimately a matter to be determined by a court or other appropriate adjudicative body. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 360.29A2 | Depending on the nature and significance of the matter, the professional accountant might consult on a confidential basis with others within the firm, a network firm or a professional body, or with legal counsel. | Depending on the nature and significance of the matter, the chartered accountant might consult on a confidential basis with others within the firm, a network firm or a professional body, or with legal counsel. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R360.30 | If the professional accountant identifies or suspects that non- compliance has occurred or might occur, the accountant shall discuss the matter with the appropriate level of management. If the accountant has access to those charged with governance, the accountant shall also discuss the matter with them where appropriate. | If the chartered accountant identifies or suspects that non- compliance has occurred or might occur, the accountant shall discuss the matter with the appropriate level of management. If the accountant has access to those charged with governance, the accountant shall also discuss the matter with them where appropriate. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 360.30A1 | The purpose of the discussion is to clarify the professional accountant's understanding of the facts and circumstances relevant to the matter and its potential consequences. The discussion also might prompt management or those charged with governance to investigate the matter. | The purpose of the discussion is to clarify the chartered accountant's understanding of the facts and circumstances relevant to the matter and its potential consequences. The discussion also might prompt management or those charged with governance to investigate the matter. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 360.30A2 | The appropriate level of management with whom to discuss the matter is a question of professional judgment. Relevant factors to consider include: • The nature and circumstances of the matter. • The individuals actually or potentially involved. • The likelihood of collusion. • The potential consequences of the matter. • Whether that level of management is able to investigate the matter and take appropriate action. | The appropriate level of management with whom to discuss the matter is a question of professional judgment. Relevant factors to consider include: • The nature and circumstances of the matter. • The individuals actually or potentially involved. • The likelihood of collusion. • The potential consequences of the matter. • Whether that level of management is able to investigate the matter and take appropriate action. | No Change |
| R360.31 | If the professional accountant is performing a non-audit service for: (a) An audit client of the firm; or (b) A component of an audit client | If the chartered accountant is performing a non-audit service for: (a) An audit client of the firm; or (b) A component of an audit client of the firm, the | Terminology differs: 'chartered accountant' vs |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | of the firm, the accountant shall communicate the non-compliance or suspected non-compliance within the firm, unless prohibited from doing so by law or regulation. The communication shall be made in accordance with the firm's protocols or procedures. In the absence of such protocols and procedures, it shall be made directly to the audit engagement partner. | accountant shall communicate the non-compliance or suspected non- compliance within the firm, unless prohibited from doing so by law or regulation. The communication shall be made in accordance with the firm's protocols or procedures. In the absence of such protocols and procedures, it shall be made directly to the audit engagement partner. | 'professional accountant'" |
| R360.32 | If the professional accountant is performing a non-audit service for: (a) An audit client of a network firm; or (b) A component of an audit client of a network firm, the accountant shall consider whether to communicate the non- compliance or suspected non-compliance to the network firm. Where the communication is made, it shall be made in accordance with the network's protocols or procedures. In the absence of such protocols and procedures, it shall be made directly to the audit engagement partner. | If the chartered accountant is performing a non-audit service for: (a) An audit client of a network firm; or (b) A component of an audit client of a network firm, the accountant shall consider whether to communicate the non- compliance or suspected non-compliance to the network firm. Where the communication is made, it shall be made in accordance with the network's protocols or procedures. In the absence of such protocols and procedures, it shall be made directly to the audit engagement partner. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R360.33 | If the professional accountant is performing a non-audit service for a client that is not: (a) An audit client of the firm or a network firm; or (b) A component of an audit client of the firm or a network firm, the accountant shall consider whether to communicate the non-compliance or suspected non-compliance to the firm that is the client's external auditor, if any. | If the chartered accountant is performing a non-audit service for a client that is not: (a) An audit client of the firm or a network firm; or (b) A component of an audit client of the firm or a network firm, the accountant shall consider whether to communicate the non- compliance or suspected non-compliance to the firm that is the client's external auditor, if any. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 360.34A1 | Factors relevant to considering the communication in accordance with paragraphs R360.31 to R360.33 include: • Whether doing so would be contrary to law or regulation. • Whether there are restrictions about disclosure imposed by a regulatory agency or prosecutor in an ongoing investigation into the non-compliance or suspected non-compliance. • Whether the purpose of the engagement is to investigate potential non-compliance within the entity to enable it to take appropriate action. • Whether management or those charged with governance have already informed the entity's external auditor about the matter. • The likely materiality of the matter to the audit of the client's financial statements or, where the matter relates to a component of a group, its likely materiality to the audit of the group financial statements. | Factors relevant to considering the communication in accordance with paragraphs R360.31 to R360.33 include: • Whether doing so would be contrary to law or regulation. • Whether there are restrictions about disclosure imposed by a regulatory agency or prosecutor in an ongoing investigation into the non-compliance or suspected non-compliance. • Whether the purpose of the engagement is to investigate potential non-compliance within the entity to enable it to take appropriate action. • Whether management or those charged with governance have already informed the entity's external auditor about the matter.The likely materiality of the matter to the audit of the client's financial statements or, where the matter relates to a component of a group, its likely materiality to the audit of the group financial statements. | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 360.35A1 | In the circumstances addressed in paragraphs R360.31 to R360.33, the purpose of the communication is to enable the audit engagement partner to be informed about the non-compliance or suspected non-compliance and to determine whether and, if so, how to address it in accordance with the provisions of this section. | In the circumstances addressed in paragraphs R360.31 to R360.33, the purpose of the communication is to enable the audit engagement partner to be informed about the non-compliance or suspected non- compliance and to determine whether and, if so, how to address it in accordance with the provisions of this section. | No Change |
| R360.36 | The professional accountant shall also consider whether further action is needed in the public interest. | The chartered accountant shall also consider whether further action is needed in the public interest. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 360.36A1 | Whether further action is needed, and the nature and extent of it, will depend on factors such as: • The legal and regulatory framework. • The appropriateness and timeliness of the response of management and, where applicable, those charged with governance. • The urgency of the situation. • The involvement of management or those charged with governance in the matter. • The likelihood of substantial harm to the interests of the client, investors, creditors, employees or the general public. | Whether further action is needed, and the nature and extent of it, will depend on factors such as: • The legal and regulatory framework. • The appropriateness and timeliness of the response of management and, where applicable, those charged with governance. • The urgency of the situation. • The involvement of management or those charged with governance in the matter. • The likelihood of substantial harm to the interests of the client, investors, creditors, employees or the general public. | No Change |
| 360.36A2 | Further action by the professional accountant might include: • Disclosing the matter to an appropriate authority even when there is no legal or regulatory requirement to do so. • Withdrawing from the engagement and the professional relationship where permitted by law or regulation. | Further action by the chartered accountant might include: • Disclosing the matter to an appropriate authority even when there is no legal or regulatory requirement to do so. • Withdrawing from the engagement and the professional relationship where permitted by law or regulation. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 360.36A3 | In considering whether to disclose to an appropriate authority, relevant factors to take into account include: • Whether doing so would be contrary to law or regulation. • Whether there are restrictions about disclosure imposed by a regulatory agency or prosecutor in an ongoing investigation into the non-compliance or suspected non-compliance. • Whether the purpose of the engagement is to investigate potential non-compliance within the entity to enable it to take appropriate action. | In considering whether to disclose to an appropriate authority, relevant factors to take into account include: • Whether doing so would be contrary to law or regulation. • Whether there are restrictions about disclosure imposed by a regulatory agency or prosecutor in an ongoing investigation into the non-compliance or suspected non-compliance. • Whether the purpose of the engagement is to investigate potential non-compliance within the entity to enable it to take appropriate action. | No Change |
| R360.37 | If the professional accountant determines that disclosure of the non-compliance or suspected non-compliance to an appropriate authority is an appropriate course of action in the circumstances, that | If the chartered accountant determines that disclosure of the non- compliance or suspected non-compliance to an appropriate authority is an appropriate course of action in the circumstances, that disclosure is permitted pursuant to paragraph | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | disclosure is permitted pursuant to paragraph R114.3 of the Code. When making such disclosure, the accountant shall act in good faith and exercise caution when making statements and assertions. The accountant shall also consider whether it is appropriate to inform the client of the accountant's intentions before disclosing the matter. | R114.1(d) of the Code. When making such disclosure, the accountant shall act in good faith and exercise caution when making statements and assertions. The accountant shall also consider whether it is appropriate to inform the client of the accountant's intentions before disclosing the matter. | |
| R360.38 | In exceptional circumstances, the professional accountant might become aware of actual or intended conduct that the accountant has reason to believe would constitute an imminent breach of a law or regulation that would cause substantial harm to investors, creditors, employees or the general public. Having first considered whether it would be appropriate to discuss the matter with management or those charged with governance of the entity, the accountant shall exercise professional judgment and determine whether to disclose the matter immediately to an appropriate authority in order to prevent or mitigate the consequences of such imminent breach of law or regulation. If disclosure is made, that disclosure is permitted pursuant to paragraph R114.3 of the Code. | In exceptional circumstances, the chartered accountant might become aware of actual or intended conduct that the accountant has reason to believe would constitute an imminent breach of a law or regulation that would cause substantial harm to investors, creditors, employees or the general public. Having first considered whether it would be appropriate to discuss the matter with management or those charged with governance of the entity, the accountant shall exercise professional judgment and determine whether to disclose the matter immediately to an appropriate authority in order to prevent or mitigate the consequences of such imminent breach of law or regulation. If disclosure is made, that disclosure is permitted pursuant to paragraph R114.1(d) of the Code. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 360.39A1 | The professional accountant might consider: • Consulting internally. • Obtaining legal advice to understand the professional or legal implications of taking any particular course of action. • Consulting on a confidential basis with a regulatory or professional body. | The chartered accountant might consider: • Consulting internally. • Obtaining legal advice to understand the professional or legal implications of taking any particular course of action. • Consulting on a confidential basis with a regulatory or professional body. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 360.40A1 | In relation to non-compliance or suspected non-compliance that falls within the scope of this section, the professional accountant is encouraged to document: • The matter. • The results of discussion with management and, where applicable, those charged with governance and other parties. • How management and, where applicable, those charged with governance have responded to the matter. • The courses of action the accountant considered, the judgments made and the decisions that were taken. • How the accountant is satisfied that the accountant has fulfilled the responsibility set out in paragraph R360.36. | In relation to non-compliance or suspected non-compliance that falls within the scope of this section, the chartered accountant is encouraged to document: • The matter. • The results of discussion with management and, where applicable, those charged with governance and other parties. • How management and, where applicable, those charged with governance have responded to the matter. 122 • The courses of action the accountant considered, the judgments made and the decisions that were taken. • How the accountant is satisfied that the accountant has fulfilled the responsibility set out in paragraph R360.36. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| R370.1 | **Not Present** | In any communications, announcements and public notices, chartered accountants should not: (a) use means, which bring the profession into disrepute; (b) make exaggerated claims for the services they are able to offer, the qualifications they possess, or experience they have gained; and (c) denigrate the work of other accountants. A chartered accountant preparing or authorizing the issue of matter falling within this Section should do so with a due sense of responsibility to the profession and to the public as a whole. In particular, such material should be in good taste both as to content and presentation and should not belittle services offered by others, whether members or not, either by claiming superiority for the services of a particular member or otherwise. The same attitude should be adopted towards activities mentioned in subsequent paragraphs. | Advertisement and marketing related sections not IESBA. It was covered under 115 in IESBA. |
| R370.2 | **Not Present** | All communications, announcements and public notices be issued in such manner and within the limits prescribed in the following paragraphs so that the provisions of clauses (5) and (6) of Part 1 and clauses (1) and (2) of Part 2 of Schedule-I of the Chartered Accountants Ordinance, 1961, are not violated: (a) All announcements, communications and public notices should: (i) be aimed at informing the recipients or the public in an objective manner; (ii) conform to the basic principles of legality, decency, clarity, honesty and truthfulness; and (iii) not project an image, which is inconsistent with that of a professional person bound to high ethical and technical standards. (b) Activities which may expressly be considered not to meet the above criteria and are therefore prohibited include those that: (i) create false, deceptive or unjustified expectations of favorable results; (ii) imply the ability to influence any court, tribunal, regulatory agency or similar body or official; (iii) consist of self-laudatory statements that are not based on verifiable facts; (iv) make comparisons with other chartered accountants in practice; (v) contain testimonials or endorsements; (vi) contain any other representations that would be likely to cause a reasonable person to misunderstand or be deceived; and (vii) make unjustified claims to be an expert or specialist in a particular field of accountancy. (c) The examples which follow are illustrative of circumstances in which communications, announcements, public notices, etc., are acceptable and the matters to be considered in connection therewith subject always to the overriding requirements mentioned in the preceding paragraphs: (i) Appointments and Awards It is in the interests of the public and the profession that any appointment or other activity of a chartered accountant in a matter of national or local | Advertisement and marketing related sections not IESBA. It was covered under 115 in IESBA. |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | | importance, or the award of any distinction to a member, should receive publicity and that membership of the Institute should be mentioned. However, the chartered accountant should not make use of any of the aforementioned appointments or activities for personal professional advantage. (ii) Chartered Accountants seeking employment or Professional Business A chartered accountant may inform interested parties through any medium that a partnership or salaried employment of an accountancy nature is being sought. The chartered accountants should not, however, publicize for subcontract work in a manner, which could be interpreted as seeking to procure professional business. Public announcements or public notices seeking subcontract work may be acceptable if placed only in the professional press and provided that neither the chartered accountant's name, address or telephone number appears in the public announcements or public notices. A chartered accountant may write a letter or make a direct approach to another chartered accountant when seeking employment or professional business. (iii) Directories & Internet A chartered accountant and his firm may be listed in the directories (including electronic professional platforms, such as LinkedIn) both alphabetically and in lead type and in classified list under "Chartered Accountants" in the directories. He can however, use the classification "Accountants and Auditors" when the directories do not have specific classification for "Chartered Accountants". Entries should be limited to name, address, telephone numbers, internet address, email address, professional description and any other information necessary to enable the users of the directories to make contact with the chartered accountant and his firm may also develop and maintain a website on the internet provided the contents comply with the requirements of paragraphs 370.1, (a) and (b) of 370.2 and (ix) of 370.2(c). (iv) Books, Articles, Interviews, Lectures, and Electronic Media A member who is author of a book or articles on a professional subject, may state his name and professional qualifications and give the name of his firm but shall not give any information as to the services that the firm provides. Similar provisions are applicable to participation by a chartered accountant in practice in a lecture, interview or a radio or television program on a professional subject. What practicing member write or say, however, should not be promotional of themselves or their firm but should be an objective professional view of the topic under consideration. Practicing members are responsible for using their best endeavors to ensure that what ultimately goes before the public complies with these requirements. When interviewed by a writer or reporter, the | |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | | chartered accountant should observe the limitations imposed on him by this Section. The chartered accountant may not provide the press with any information for publication that he could not publish himself. Training Courses, Seminars, etc. A chartered accountant may invite clients, their staff and the general public to attend training courses or seminars conducted for imparting professional education. However, undue prominence should not be given to the name of a chartered accountant in any booklets or documents issued in connection therewith. (vi) Professional Literature and Publications Any professional literature bearing the name of a chartered accountant or his firm giving technical information for the assistance of staff and clients may be issued to any other firm or persons. A publication developed/ authored by a firm may be published in the firm's name but it shall not give any information as to the services that the firm provides. Such professional literature and publications can also be placed on the website of the firm. (vii) Staff Recruitment Genuine vacancies for staff may be communicated to the public through any medium in which comparable staff vacancies normally appear. The fact that a job specification necessarily gives some detail as to one or more of the services provided by the chartered accountant or his firm is acceptable but it should not contain any promotional element. There should not be any suggestion that the services offered are superior to those offered by other chartered accountants as a consequence of size, associations, or for any other reason. In publications such as those specifically directed to schools and other places of education to inform students and graduates of career opportunities in the profession, services offered to the public may be described in a businesslike way. More latitude may also be permissible in a section of a newspaper devoted to staff vacancies than would be allowed if the vacancy appears in a prominent position elsewhere in a newspaper on the grounds that it would be most unlikely that a potential client would use such media to select his professional adviser. Recruitment on behalf of clients A member may advertise on behalf of clients. However, he should ensure that the emphasis in the advertisement is directed towards the objectives to be achieved for the client. The designation of any services provided by the practice as being of specialist nature is not permitted. (ix) Brochures and Firm Directories A chartered accountant in practice may issue: (a) A factual and objectively worded account of the services provided, the firm's resources (human and other, specifying qualifications and experience of personnel where appropriate), existing clients (unless this breaches client confidentiality) and of professional assignments undertaken; and (b) A | |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | | directory setting out names of partners, office addresses and names and addresses of associated firms and correspondents. (x) Stationery and Nameplates Stationery of chartered accountants in practice should be of an acceptable professional standard and comply with the requirements of the directives issued by the Council of the Institute from time to time as to names of partners, principals and others who participate in the practice, use of professional descriptions and designatory letters, cities or countries where the practice is represented, logotypes, etc. The designation of any services provided by the practice as being of specialist nature is not permitted. Similar provisions apply to nameplates. (xi) Newspaper Announcements Appropriate newspapers or magazines may be used to inform the public of the establishment of a new practice, of changes in the composition of a partnership, or of any alteration in the address and telephone number of a practice. Such announcements should be limited to a bare statement of facts and consideration given to the appropriateness of the area of distribution of the newspaper or magazine and number of insertions. Inclusion of the name of a chartered accountant in practice in a document issued by a client When a client proposes to publish a report by a chartered accountant in practice dealing with the client's existing business affairs or in connection with the establishment of a new business venture, chartered accountant in practice should take steps to ensure that the context in which the report is published is not such as might result in the public being misled as to the nature and meaning of the report. In these circumstances, practicing member should advise the client that permission should first be obtained before publication of the document. Similar consideration should be given to other documents proposed to be issued by a client containing the name of a chartered accountant in practice acting in an independent professional capacity. This does not preclude the inclusion of the name of a chartered accountant in practice in the annual report of a client. When chartered accountant in practice in their private capacity are associated with, or hold office in, an organization, the organization may use their name and professional status on stationery and other documents. The chartered accountant in practice should ensure that this information is not used in such a way as might lead the public to believe that there is a connection with the organization in an independent professional capacity. (xiii) Advertising material used to promote a course, which he has been asked to conduct It is of value to prospective students and course participants to know the instructor's background - such as degrees he holds, professional body affiliations, and the name of his | |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | | firm. The chartered accountant has the responsibility to ascertain that all promotional efforts are within the bounds of this Section. (xiv) The use of the CA title on an Employer's Stationery The use of the CA title on an employer's stationery by a chartered accountant not in practice is proper. It would also be proper for the CA title of the member to appear in paid advertisements of the employer that list the officers and directors. (xv) Greeting and Invitation Cards Greeting and invitation cards may be sent in the name of a chartered accountant or his firm. Professional qualifications may be indicated but no information shall be given regarding the services that the chartered accountant or the firm provides. | |
| 380.1 | 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. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 380.2 | Providing tax planning services might create self-interest, self- review, advocacy, or intimidation threats to compliance with the fundamental principles. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 380.3 | This section sets out requirements and application material relevant to applying the conceptual framework in relation to the provision of tax planning services. This section also requires a professional accountant to comply with relevant tax laws and regulations when providing such services. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 380.4A1 | Professional accountants play an important role in tax planning by contributing their expertise and experience to assist clients in meeting their tax planning goals while complying with tax laws and regulations. In doing so, accountants help to facilitate a more efficient and effective operation of a jurisdiction's tax system, which is in the public interest. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 380.4A2 | Clients are entitled to organize their affairs for tax planning purposes. While there are a variety of ways to achieve such purposes, clients have a responsibility to pay taxes as determined by the relevant tax laws and regulations. In this regard, professional accountants' role is to use their expertise and experience to assist their clients in achieving their tax planning goals and meeting their tax obligations. However, | **Not Present** | New insertion in IESBA 2025 – Tax planning |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | when accountants provide such assistance, it might involve certain tax minimization arrangements that, although not prohibited by tax laws and regulations, might create threats to compliance with the fundamental principles. | | |
| 380.4A3 | It is ultimately for a tribunal, court or other appropriate adjudicative body to determine whether a tax planning arrangement complies with the relevant tax laws and regulations. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 380.5A1 | Tax planning services are advisory services designed to assist a client, whether an individual or an entity, in planning or structuring the client's affairs in a tax-efficient manner. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 380.5A2 | Tax planning services cover a broad range of topics or areas. Examples of such services include: • Advising an individual to structure their tax affairs to achieve investment, retirement or estate planning goals. • Advising an individual business owner on structuring their ownership and income from the business to minimize their overall taxes. • Advising an entity on structuring its international operations to minimize its overall taxes. • Advising on the structuring of transfer pricing arrangements, taking into account tax-related transfer pricing guidelines. • Advising on the utilization of losses in a tax-efficient manner. • Advising an entity on the structuring of its capital distribution strategy in a tax-efficient manner. • Advising an entity on structuring its compensation strategy for senior executives to optimize the tax benefits. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 380.5A3 | Tax planning services do not include services that are generally referred to as tax compliance or tax preparation, which are services to assist the client in fulfilling the client's filing, reporting, payment and other obligations under tax laws and regulations. However, if a tax service comprises both tax planning and tax compliance, the portion that relates to tax planning is covered by this section. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 380.5A4 | This section applies regardless of the nature of the client, including whether it is a public interest entity. | **Not Present** | New insertion in IESBA 2025 – Tax planning |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 380.6A1 | There might be circumstances where a professional accountant is engaged to provide a related service to a client that is based on or linked to a tax planning arrangement developed by the client or a third-party provider. In such circumstances, the provisions of this section apply to the underlying tax planning arrangement. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 380.6A2 | Examples of such related services include: • Assisting the client in resolving a dispute with the tax authority on the tax planning arrangement. • Representing the client in administrative or court proceedings regarding the tax planning arrangement. • Implementing the tax planning arrangement for the client. • Advising the client on an acquisition where the valuation depends on the tax planning arrangement established by the target. • Advising the client on estate planning based on a tax planning arrangement established for the client's business. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 380.7A1 | This section does not address tax evasion, which is illegal. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| R380.8 | Where there are laws and regulations, including those that might be referred to as anti-avoidance rules, that limit or prohibit certain tax planning arrangements, a professional accountant shall obtain an understanding of those laws and regulations and advise the client to comply with them when providing tax planning services. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 380.8A1 | If, in the course of providing tax planning services, a professional accountant becomes aware of tax evasion or suspected tax evasion, or other non-compliance or suspected non-compliance with tax laws and regulations by a client, management, those charged with governance or other individuals working for or under the direction of the client, the requirements and application material set out in Section 360 apply. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 380.9A1 | In relation to tax planning, management, with the oversight of those charged with governance, has a number of responsibilities, including: • Ensuring that the client's tax affairs are conducted in accordance with the relevant tax laws and | **Not Present** | New insertion in IESBA 2025 – Tax planning |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | regulations. • Maintaining all the books and records and implementing the systems of internal control necessary to enable the client to fulfill its tax compliance obligations. • Making available all the facts and other relevant information needed to enable the professional accountant to perform the tax planning service. • Engaging experts to advise on relevant aspects of the tax planning arrangement. • Deciding whether to accept and implement the professional accountant's recommendation or advice on a tax planning arrangement. • Authorizing the submission of the client's tax returns and ensuring that any matters raised by the relevant tax authorities are addressed in a timely manner. • Making such disclosures to the relevant tax authorities as might be required by tax laws and regulations or as might be necessary to support a tax position, including details of any tax planning arrangements. • Making appropriate disclosure of tax strategy, policies or other tax-related matters in the financial statements or other relevant public documents in accordance with applicable reporting requirements. • Ensuring that the client's tax planning arrangements are consistent with any publicly disclosed tax strategy or policies. | | |
| R380.10 | As part of providing a tax planning service, a professional accountant shall obtain an understanding of the nature of the engagement, including: (a) Knowledge and understanding of the client, its owners, management and those charged with governance, and its business activities; (b) The purpose, facts and circumstances of the tax planning arrangement; and (c) The relevant tax laws and regulations. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 380.10A1 | The requirements and application material in Section 320 apply with respect to client and engagement acceptance. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 380.10A2 | A professional accountant might be engaged to provide a second opinion on a tax planning arrangement. In addition to the provisions in this section, the requirements and application material in Section 321 also apply in such circumstances. | **Not Present** | New insertion in IESBA 2025 – Tax planning |

**Annexure B**

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 380.11A1 | A professional accountant is expected to apply professional competence and due care in accordance with Subsection 113 when providing a tax planning service. The accountant is also expected to have an inquiring mind and exercise professional judgment in accordance with Section 120 when considering the specific facts and circumstances relating to the tax planning service. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| R380.12 | A professional accountant shall recommend or otherwise advise on a tax planning arrangement to a client only if the accountant has determined that there is a credible basis in laws and regulations for the arrangement. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 380.12A1 | The determination of whether there is a credible basis involves the exercise of professional judgment by the professional accountant. This determination will vary from jurisdiction to jurisdiction based on the relevant laws and regulations at the time. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 380.12A2 | If the professional accountant determines that the tax planning arrangement does not have a credible basis in laws and regulations, paragraph R380.12 does not preclude the accountant from explaining to the client the accountant's rationale for the determination or advising on an alternative arrangement that has a credible basis. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 380.12A3 | Paragraph R380.12 also does not preclude the professional accountant from being engaged by the client, or otherwise assisting the client, to remediate or rectify a tax planning arrangement which lacks a credible basis. Such type of service is a related service as described in paragraphs 380.6 A1 and A2. This includes, for example: • Assisting the client to restructure a tax planning arrangement to achieve a credible basis as part of a tax dispute resolution service. • Agreeing with the client appropriate changes to the tax planning arrangement to achieve a credible basis as part of representing the client in administrative or court proceedings. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 380.12A4 | Examples of actions that a professional accountant might take to determine that there is a credible basis in relation to a particular tax planning arrangement include: | **Not Present** | New insertion in IESBA 2025 – Tax planning |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | • Reviewing the relevant facts and circumstances, including the economic purpose and substance of the arrangement. • Assessing the reasonableness of any assumptions. • Reviewing the relevant tax legislation. • Reviewing legislative proceedings that discuss the intent of the relevant tax legislation. • Reviewing relevant literature such as court decisions, professional or industry journals, and tax authority rulings or guidance. • Considering whether the basis used for the proposed arrangement is an established practice that has not been challenged by the relevant tax authorities. • Considering how likely the proposed arrangement would be accepted by the relevant tax authorities if all the relevant facts and circumstances were disclosed. • Consulting with legal counsel or other experts within or outside the professional accountant's firm regarding what a reasonable interpretation of the relevant laws and regulations might be. • Consulting with the relevant tax authorities, where applicable. | | |
| R380.13 | If, during the course of the engagement, the professional accountant becomes aware of circumstances that might impact the previous determination of the credible basis, the accountant shall re-assess the validity of that basis. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| R380.14 | In addition to determining that there is a credible basis for the tax planning arrangement, the professional accountant shall exercise professional judgment and consider the reputational, commercial and wider economic consequences that could arise from the way stakeholders might view the arrangement. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 380.14A1 | The reputational and commercial consequences might relate to personal or business implications to the client or implications to the reputation of the client and the profession from a prolonged dispute with the relevant tax or other authorities. The implications to the client might involve adverse publicity, costs, fines or penalties, loss of management time over a significant period, and potential adverse consequences for the client's business. | **Not Present** | New insertion in IESBA 2025 – Tax planning |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 380.14A2 | An awareness of the wider economic consequences might take into account the professional accountant's general understanding of the current economic environment and the impact of the tax planning arrangement on the tax base of the jurisdiction, or the relative impacts of the arrangement on the tax bases of multiple jurisdictions, where the client operates. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| R380.15 | If, having considered the matters set out in paragraph R380.14, the professional accountant decides not to recommend or otherwise advise on a tax planning arrangement that the client would like to pursue, the accountant shall inform the client of this and explain the basis for the accountant's conclusion. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 380.16A1 | There might be circumstances where a professional accountant becomes aware that a client is obtaining a tax benefit from accounting for the same transaction in more than one jurisdiction, especially if there is no tax treaty between the jurisdictions. In such circumstances, while the client might be in compliance with the tax laws and regulations of each jurisdiction, the accountant might advise the client to disclose to the relevant tax authorities the particular facts and circumstances and the tax benefits derived from the transaction in the different jurisdictions. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 380.16A2 | Relevant factors the professional accountant might consider in determining whether to advise the client to make such disclosure include: • The significance of the tax benefits in the relevant jurisdictions. • Stakeholders' perceptions of the client if the facts and circumstances were known to the stakeholders. • Whether there are globally or nationally accepted principles or practices regarding disclosure of similar situations to the tax authorities in the relevant jurisdictions. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 380.17A1 | In determining whether there is a credible basis for the tax planning arrangement, a professional accountant might encounter circumstances giving rise to uncertainty as to whether a proposed tax planning arrangement will be in compliance with the relevant tax laws and regulations. Such uncertainty makes it more challenging for | **Not Present** | New insertion in IESBA 2025 – Tax planning |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | the accountant to determine that there is a credible basis in laws and regulations for the tax planning arrangement and might, therefore, create threats to compliance with the fundamental principles. | | |
| 380.17A2 | Circumstances that might give rise to uncertainty include: • Difficulty in establishing an adequate factual basis. • Difficulty in establishing an adequate basis of assumptions. • Lack of clarity in the tax laws and regulations and their interpretation, including: Gaps in the tax laws and regulations. o Challenges to previous court rulings. o Conflicting tax laws and regulations in different o jurisdictions in circumstances involving cross-border transactions. Innovative business models not addressed by the o current tax laws and regulations. Recent court or tax authority rulings or positions that o cast doubt on similar tax planning arrangements. Complexity in interpreting or applying the tax laws o and regulations from a technical or legal point of view. Lack of a legal precedent, ruling or position. o • Lack of clarity regarding the economic purpose and substance of the tax planning arrangement. • Lack of clarity about the ultimate beneficiaries of the tax planning arrangement. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| R380.18 | Where there is uncertainty as to whether a tax planning arrangement is or will be in compliance with the relevant tax laws and regulations, a professional accountant shall discuss the uncertainty with the client. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 380.18A1 | The discussion serves a number of purposes, including: • Explaining the professional accountant's assessment about how likely the relevant tax authorities are to have a view that supports the tax planning arrangement where there is a lack of clarity in the interpretation of the relevant tax laws and regulations. • Considering any assumptions made when establishing the basis on which the tax planning advice is provided. • Obtaining any additional information from the client that might reduce the uncertainty. • Discussing any reputational, commercial or wider economic consequences in pursuing the tax planning arrangement. • Discussing potential courses of action to mitigate the possibility of adverse consequences for the client, | **Not Present** | New insertion in IESBA 2025 – Tax planning |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | including consideration of disclosure to the relevant tax authorities. | | |
| 380.19A1 | Providing a tax planning service to a client might create a self- interest, self-review, advocacy or intimidation threat. For example: • A self-review threat might be created when a professional accountant has recently provided a valuation service to a client for tax purposes, the output of which is then relied upon or is a key input to a tax planning service for the client. • A self-interest threat might be created when a professional accountant has a direct financial interest in a client and the accountant is involved in designing a tax planning arrangement that has an impact on the client's financial situation. • Self-interest and advocacy threats might be created when a professional accountant actively promotes a particular tax position a client should adopt. • A self-interest threat might be created when a professional accountant is in possession of confidential information obtained from the accountant's involvement in formulating or drafting tax policy, laws or regulations for a government agency and the confidential information would be valuable to the accountant in advising other clients on their tax planning arrangements. • A self-interest threat might be created when a professional accountant accepts a fee that might be perceived to be excessive for an engagement to develop a tax planning arrangement for which the interpretation of the relevant tax laws and regulations is uncertain or unclear. • Self-interest and advocacy threats might be created when a professional accountant advocates a client's position in a tax planning arrangement which the accountant previously advised on before a tax authority when there are indications that the arrangement might not have a credible basis in laws and regulations. • Self-interest and intimidation threats might be created when a professional accountant provides services to a client who exerts significant influence over the design of a particular tax arrangement, in a way that might influence the accountant's determination that there is a credible basis for the arrangement in laws and regulations. • Self-interest and intimidation threats might be created when a professional accountant is threatened with dismissal from the engagement or the accountant's firm concerning the position a client is insisting | **Not Present** | New insertion in IESBA 2025 – Tax planning |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | on pursuing regarding a tax planning arrangement. | | |
| 380.19A2 | Factors that are relevant in evaluating the level of such threats include: • The degree of transparency of the client, including, where applicable, the identity of the ultimate beneficiaries. • Whether the tax planning arrangement has a clear economic purpose and substance based on the underlying business transaction or circumstances. • The nature and complexity of the underlying business transaction or circumstances. • The complexity or clarity of the relevant tax laws and regulations. • Whether the professional accountant knows, or has reason to believe, that the tax planning arrangement would be contrary to the intent of the relevant tax legislation. • The number of jurisdictions involved and the nature of their tax regimes. • The extent of the professional accountant's expertise and experience in the relevant tax areas. • The significance of the potential tax savings. • The nature and amount of the fee for the tax planning service. • The extent to which the professional accountant is aware that the tax planning arrangement reflects an established practice that has not been challenged by the relevant tax authorities. • Whether there is pressure being exerted by the client or another party on the professional accountant. • The degree of urgency in implementing the tax planning arrangement. • Whether it is a tax planning arrangement used for multiple clients with little modification for the client's specific circumstances. • The known previous behavior or reputation of the client, including its organizational culture. | Not Present | New insertion in IESBA 2025 – Tax planning |
| 380.19A3 | Examples of actions that might eliminate such threats include: • Referring the client to an expert outside the professional accountant's firm who has the necessary expertise and experience to advise the client on the tax planning arrangement. • Advising the client to structure the tax planning arrangement so that it is consistent with an existing interpretation or ruling issued by the relevant tax authorities. • Obtaining an advance ruling from the relevant tax or other authorities, where possible. • Advising the client not to pursue the tax planning arrangement. | **Not Present** | New insertion in IESBA 2025 – Tax planning |

**Annexure B**

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 380.19A4 | Examples of actions that might be safeguards to address such threats include: • Establishing the identity of the ultimate beneficiaries. • Advising the client to structure the tax planning arrangement so that it better aligns with the underlying economic purpose and substance. • Advising the client to structure the tax planning arrangement based on an established practice that is currently not subject to challenge by the relevant tax authorities or is known to have been accepted by the relevant tax authorities. • Consulting with a legal counsel or other expert within or outside the professional accountant's firm in the relevant tax areas. • Obtaining an opinion from an appropriately qualified professional (such as legal counsel or another professional accountant) regarding the interpretation of the relevant tax laws and regulations as applied to the particular circumstances. • Having an appropriate reviewer, who is not otherwise involved in providing the tax planning service, review any work performed or conclusions reached by the professional accountant with respect to the tax planning arrangement. • Having the client provide full transparency about the tax planning arrangement to the relevant tax authorities, including the goals, business and legal aspects, and ultimate beneficiaries of the tax planning arrangement. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 380.19A5 | Examples of steps a professional accountant might take to establish the identity of the ultimate beneficiaries include: • Making inquiries of management and others within the client. • Making inquiries of others within or outside the firm who have dealt with the client, having regard to the principle of confidentiality. • Reviewing the client's tax records, financial statements and other relevant corporate records. • Making inquiries of registrars where the client or entities within its legal structure are incorporated concerning the relevant shareholders. • Researching relevant public records. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| R380.20 | A professional accountant shall explain the basis on which the accountant recommended or otherwise advised on a tax planning arrangement to the client. | **Not Present** | New insertion in IESBA 2025 – Tax planning |

**Annexure B**

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| R380.21 | If the professional accountant disagrees that a tax planning arrangement that a client would like to pursue has a credible basis, the accountant shall: (a) Inform the client of the basis of the accountant's assessment; (b) Communicate to the client the potential consequences of pursuing the arrangement; and (c) Advise the client not to pursue the arrangement. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| R380.22 | If the client decides to pursue the tax planning arrangement despite the professional accountant's advice to the contrary, the accountant shall advise the client to: (a) Communicate internally to the appropriate level of management the details of the arrangement and the difference of views; (b) Consider making full disclosure of the arrangement to the relevant tax authorities; and (c) Consider communicating the details of the arrangement and the difference of views to the external auditor, if any. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 380.22A1 | As part of communicating the matters set out in paragraphs R380.21 and R380.22, a professional accountant might consider it appropriate to raise the relevant matters with those charged with governance of the client. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| R380.23 | In light of the client's response to the professional accountant's advice, the accountant shall consider whether there is a need to withdraw from the engagement and the professional relationship. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| R380.24 | If a client engages a professional accountant to advise on a tax planning product or arrangement developed by a third party, the accountant shall: (a) Inform the client of any professional or business relationship the accountant has with the third-party provider; and (b) Apply the provisions in this section with respect to the tax planning product or arrangement. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| R380.25 | If a professional accountant recommends or refers a client to a third-party provider of tax planning services, the accountant shall inform the client of any professional or business relationship the accountant has with the third-party provider. | **Not Present** | New insertion in IESBA 2025 – Tax planning |

**Annexure B**

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 380.25A1 | Where the professional accountant only recommends or refers a client to a third-party provider of tax planning services, the provisions of this section do not apply. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 380.25A2 | If a professional accountant receives a referral fee or commission from the third-party provider, the provisions in Section 330 apply. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 380.26A1 | When providing a tax planning service, a professional accountant is encouraged to document on a timely basis: • The purpose, circumstances and substance of the tax planning arrangement. • The identity of the ultimate beneficiaries. • The nature of any uncertainties. • The accountant's analysis, the courses of action considered, the judgments made, and the conclusions reached in advising the client on the tax planning arrangement. • The results of discussions with the client and other parties. • The client's response to the accountant's advice. • Any disagreement with the client. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 380.26A2 | Preparing such documentation assists the accountant to: • Consider the reputational, commercial and wider economic consequences that could arise from the way stakeholders might view the arrangement. • Develop the accountant's analysis of the facts, circumstances, relevant tax laws and regulations and any assumptions made or changed. • Record the basis of the professional judgments at the time they were made or changed. • Support the position if the tax planning arrangement is challenged by the relevant tax authorities. • Demonstrate that the accountant has complied with the provisions in this section. | **Not Present** | New insertion in IESBA 2025 – Tax planning |
| 400.1 | It is in the public interest and required by the Code that professional accountants in public practice be independent when performing audit or review engagements. | It is in the public interest and required by the Code that chartered accountants in practice be independent when performing audit or review engagements. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 400.2 | This Part applies to both audit and review engagements unless otherwise stated. The terms "audit," "audit team," "audit engagement," "audit client," and "audit report" apply equally to review, review team, review engagement, review client, and review engagement report. | This Part applies to both audit and review engagements unless otherwise stated. The terms "audit," "audit team," "audit engagement," "audit client," and "audit report" apply equally to review, review team, review engagement, review client, and review engagement report. | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 400.3 | In this Part, the term "professional accountant" refers to individual professional accountants in public practice and their firms. | In this Part, the term "chartered accountant" refers to individual chartered accountants in practice and their firms. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 400.4 | ISQM 1 requires a firm to design implement and operate a system of quality management for audits or reviews of financial statements performed by the firm. As part of this system of quality management, ISQM 1 requires the firm to establish quality objectives that address the fulfilment of responsibilities in accordance with relevant ethical requirements, including those related to independence. Under ISQM 1, relevant ethical requirements are those related to the firm, its personnel and, when applicable, others subject to the independence requirements to which the firm and the firm's engagements are subject. ISAs and ISREs establish responsibilities for engagement partners and engagement teams at the level of the engagement for audits and reviews, respectively. The allocation of responsibilities within a firm will depend on its size, structure and organization. Many of the provisions of this Part do not prescribe the specific responsibility of individuals within the firm for actions related to independence, instead referring to "firm" for ease of reference. A firm assigns operational responsibility for compliance with independence requirements to an individual(s) in accordance with ISQM 1. In addition, an individual professional accountant remains responsible for compliance with any provisions that apply to that accountant's activities, interests or relationships. | ISQM 1 requires a firm to design implement and operate a system of quality management for audits or reviews of financial statements performed by the firm. As part of this system of quality management, ISQM 1 requires the firm to establish quality objectives that address the fulfilment of responsibilities in accordance with relevant ethical requirements, including those related to independence. Under ISQM 1, relevant ethical requirements are those related to the firm, its personnel and, when applicable, others subject to the independence requirements to which the firm and the firm's engagements are subject. ISAs and ISREs establish responsibilities for engagement partners and engagement teams at the level of the engagement for audits and reviews, respectively. The allocation of responsibilities within a firm will depend on its size, structure and organization. Many of the provisions of this Part do not prescribe the specific responsibility of individuals within the firm for actions related to independence, instead referring to "firm" for ease of reference. A firm assigns operational responsibility for compliance with independence requirements to an individual(s) in accordance with ISQM 1. In addition, an individual chartered accountant remains responsible for compliance with any provisions that apply to that accountant's activities, interests or relationships. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 400.5 | Independence is linked to the principles of objectivity and integrity. It comprises: (a) Independence of mind – the state of mind that permits the expression of a conclusion without being affected by influences that compromise professional judgment, thereby allowing an individual to act with integrity, and exercise objectivity and professional skepticism. (b) Independence in appearance – the avoidance of facts and circumstances that are so significant that a reasonable and informed third party would be likely to conclude that a firm's, or an audit team member's, integrity, objectivity or professional skepticism has been | Independence is linked to the principles of objectivity and integrity. It comprises: (a) Independence of mind – the state of mind that permits the expression of a conclusion without being affected by influences that compromise professional judgment, thereby allowing an individual to act with integrity, and exercise objectivity and professional skepticism. (b) Independence in appearance – the avoidance of facts and circumstances that are so significant that a reasonable and informed third party would be likely to conclude that a firm's, or an audit team member's, integrity, objectivity or professional skepticism has been compromised. In this Part, references to an individual or firm being "independent" mean that the | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | compromised. In this Part, references to an individual or firm being "independent" mean that the individual or firm has complied with the provisions of this Part. | individual or firm has complied with the provisions of this Part. | |
| 400.6 | When performing audit engagements, the Code requires firms to comply with the fundamental principles and be independent. This Part sets out specific requirements and application material on how to apply the conceptual framework to maintain independence when performing such engagements. The conceptual framework set out in Section 120 applies to independence as it does to the fundamental principles set out in Section 110. Section 405 sets out specific requirements and application material applicable in a group audit. | When performing audit engagements, the Code requires firms to comply with the fundamental principles and be independent. This Part sets out specific requirements and application material on how to apply the conceptual framework to maintain independence when performing such engagements. The conceptual framework set out in Section 120 applies to independence as it does to the fundamental principles set out in Section 110. Section 405 sets out specific requirements and application material applicable in a group audit. | No Change |
| 400.7 | This Part describes: (a) Facts and circumstances, including professional activities, interests and relationships, that create or might create threats to independence; (b) Potential actions, including safeguards, that might be appropriate to address any such threats; and (c) Some situations where the threats cannot be eliminated or there can be no safeguards to reduce them to an acceptable level. | This Part describes: (a) Facts and circumstances, including professional activities, interests and relationships, that create or might create threats to independence; (b) Potential actions, including safeguards, that might be appropriate to address any such threats; and (c) Some situations where the threats cannot be eliminated or there can be no safeguards to reduce them to an acceptable level. | No Change |
| 400.8 | This Part applies to all audit team members, including engagement team members. | This Part applies to all audit team members, including engagement team members. | No Change |
| 400.9 | An engagement team for an audit engagement includes all partners and staff in the firm who perform audit work on the engagement, and any other individuals who perform audit procedures who are from: (a) A network firm; or (b) A firm that is not a network firm, or another service provider. For example, an individual from a component auditor firm who performs audit procedures on the financial information of a component for purposes of a group audit is a member of the engagement team for the group audit. | An engagement team for an audit engagement includes all partners and staff in the firm who perform audit work on the engagement, and any other individuals who perform audit procedures who are from: (a) A network firm; or (b) A firm that is not a network firm, or another service provider. For example, an individual from a component auditor firm who performs audit procedures on the financial information of a component for purposes of a group audit is a member of the engagement team for the group audit. | No Change |
| 400.10 | In ISQM 1, a service provider includes an individual or organization external to the firm that provides a resource that is used in the performance of engagements. Service providers exclude the firm, a network firm or | In ISQM 1, a service provider includes an individual or organization external to the firm that provides a resource that is used in the performance of engagements. Service providers exclude the firm, a network firm or other structures or organizations in the network. | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | other structures or organizations in the network. | | |
| 400.11 | An audit engagement might involve experts within, or engaged by, the firm, a network firm, or a component auditor firm outside a group auditor firm's network, who assist in the engagement. Depending on the role of the individuals, they might be engagement team or audit team members. For example: • Individuals with expertise in a specialized area of accounting or auditing who perform audit procedures are engagement team members. These include, for example, individuals with expertise in accounting for income taxes or in analyzing complex information produced by automated tools and techniques for the purpose of identifying unusual or unexpected relationships. • Individuals within, or engaged by, the firm who have direct influence over the outcome of the audit engagement through consultation regarding technical or industry-specific issues, transactions or events for the engagement are audit team members but not engagement team members. However, individuals who are external experts are neither engagement team nor audit team members. | An audit engagement might involve experts within, or engaged by, the firm, a network firm, or a component auditor firm outside a group auditor firm's network, who assist in the engagement. Depending on the role of the individuals, they might be engagement team or audit team members. For example: • Individuals with expertise in a specialized area of accounting or auditing who perform audit procedures are engagement team members. These include, for example, individuals with expertise in accounting for income taxes or in analyzing complex information produced by automated tools and techniques for the purpose of identifying unusual or unexpected relationships. • Individuals within, or engaged by, the firm who have direct influence over the outcome of the audit engagement through consultation regarding technical or industry-specific issues, transactions or events for the engagement are audit team members but not engagement team members. However, individuals who are external experts are neither engagement team nor audit team members. | No Change |
| 400.12 | If the audit engagement is subject to an engagement quality review, the engagement quality reviewer and any other individuals performing the engagement quality review are audit team members but not engagement team members. | If the audit engagement is subject to an engagement quality review, the engagement quality reviewer and any other individuals performing the engagement quality review are audit team members but not engagement team members. | No Change |
| 400.13 | Some of the requirements and application material set out in this Part are applicable only to the audit of financial statements of public interest entities, reflecting significant public interest in the financial condition of these entities due to the potential impact of their financial well-being on stakeholders. | Some of the requirements and application material set out in this Part reflect the extent of public interest in certain entities which are defined to be public interest entities. Firms are encouraged to determine whether to treat additional entities, or certain categories of entities, as public interest entities because they have a large number and wide range of stakeholders.<br><br>Factors to be considered include: • The nature of the business, such as the holding of assets in a fiduciary capacity for a large number of stakeholders. Examples might include financial institutions, such as banks and insurance companies, and pension funds. • Size. • Number of employees. | Slight change read with IESBA 400.14 |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 400.14 | Factors to consider in evaluating the extent of public interest in the financial condition of an entity include: • The nature of the business or activities, such as taking on financial obligations to the public as part of the entity's primary business. • Whether the entity is subject to regulatory supervision designed to provide confidence that the entity will meet its financial obligations. • Size of the entity. • The importance of the entity to the sector in which it operates including how easily replaceable it is in the event of financial failure. • Number and nature of stakeholders including investors, customers, creditors and employees. • The potential systemic impact on other sectors and the economy as a whole in the event of financial failure of the entity. | An audit report might include a restriction on use and distribution. If it does and the conditions set out in Section 800 are met, then the independence requirements in this Part may be modified as provided in Section 800. | Reference issue, covered in IESBA 400.16<br><br>Covered under ""Changes to the Code" "section |
| 400.15 | Stakeholders have heightened expectations regarding the independence of a firm performing an audit engagement for a public interest entity because of the significance of the public interest in the financial condition of the entity. The purpose of the requirements and application material for public interest entities as described in paragraph 400.13 is to meet these expectations, thereby enhancing stakeholders' confidence in the entity's financial statements that can be used when assessing the entity's financial condition. | Independence standards for assurance engagements that are not audit or review engagements are set out in Part 4B Independence for Assurance Engagements Other than Audit and Review Engagements. | Reference issue, covered in IESBA 400.17<br><br>Covered under ""Changes to the Code" "section |
| 400.16 | An audit report might include a restriction on use and distribution. If it does and the conditions set out in Section 800 are met, then the independence requirements in this Part may be modified as provided in Section 800. | A firm performing an audit engagement shall be independent. | Reference issue, covered in IESBA 400.18<br><br>Reference issue, covered in ICAP 400.14 |
| R400.17 | Independence standards for assurance engagements that are not audit or review engagements are set out in Part 4B – Independence for Assurance Engagements Other than Audit and Review Engagements. | A firm shall apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence in relation to an audit engagement. | Reference issue, covered in ICAP 400.15<br><br>Reference issue, covered in IESBA 400.19 |
| R400.18 | A firm performing an audit engagement shall be independent. | A firm or a network firm shall not assume a management responsibility for an audit client. | Reference issue, covered in IESBA 400.17 |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | | | Reference issue, covered in IESBA 400.20 |
| 400.18A1 | Not Present | Management responsibilities involve controlling, leading and directing an entity, including making decisions regarding the acquisition, deployment and control of human, financial, technological, physical and intangible resources. | Reference issue, covered in IESBA 400.20A1 |
| 400.18A2 | Not Present | When a firm or a network firm assumes a management responsibility for an audit client, self-review, self-interest and familiarity threats are created. Assuming a management responsibility might also create an advocacy threat because the firm or network firm becomes too closely aligned with the views and interests of management. | Reference issue, covered in IESBA 400.20A2 |
| 400.18A3 | Not Present | Determining whether an activity is a management responsibility depends on the circumstances and requires the exercise of professional judgment. Examples of activities that would be considered a management responsibility include: • Setting policies and strategic direction. • Hiring or dismissing employees. • Directing and taking responsibility for the actions of employees in relation to the employees' work for the entity. • Authorizing transactions. • Controlling or managing bank accounts or investments. 136 SECTION 400 • Deciding which recommendations of the firm or network firm or other third parties to implement. • Reporting to those charged with governance on behalf of management. • Taking responsibility for: o The preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework. o Designing, implementing, monitoring or maintaining internal control. | Reference issue, covered in IESBA 400.20A3 |
| 400.18A4 | Not Present | Subject to compliance with paragraph R400.19, providing advice and recommendations to assist the management of an audit client in discharging its responsibilities is not assuming a management responsibility. The provision of advice and recommendations to an audit client might create a self-review threat and is addressed in Section 600. | Reference issue, covered in IESBA 400.20A4 |
| R400.19 | A firm shall apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence in relation to an audit engagement. | When performing a professional activity for an audit client, the firm shall be satisfied that client management makes all judgments and decisions that are the proper responsibility of management. This includes ensuring that the client's management: (a) Designates an individual who possesses suitable skill, knowledge and experience to be responsible at | Reference issue, covered in ICAP 400.17<br><br>Reference issue, covered in IESBA 400.21 |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | | all times for the client's decisions and to oversee the activities. Such an individual, preferably within senior management, would understand: (i) The objectives, nature and results of the activities; and (ii) The respective client and firm or network firm responsibilities. However, the individual is not required to possess the expertise to perform or re-perform the activities. (b) Provides oversight of the activities and evaluates the adequacy of the results of the activities performed for the client's purpose. (c) Accepts responsibility for the actions, if any, to be taken arising from the results of the activities. | |
| R400.20 | A firm or a network firm shall not assume a management responsibility for an audit client. | As defined, an audit client that is a listed entity includes all of its related entities. For all other entities, references to an audit client in this Part include related entities over which the client has direct or indirect control. When the audit team knows, or has reason to believe, that a relationship or circumstance involving any other related entity of the client is relevant to the evaluation of the firm's independence from the client, the audit team shall include that related entity when identifying, evaluating and addressing threats to independence. | Reference issue, covered in ICAP 400.17<br><br>Present in IESBA 2023 but not in 2025 |
| 400.20A1 | Management responsibilities involve controlling, leading and directing an entity, including making decisions regarding the acquisition, deployment and control of human, financial, technological, physical and intangible resources. | Not Present | Reference issue, covered in ICAP 400.18 A1 |
| 400.20A2 | When a firm or a network firm assumes a management responsibility for an audit client, self- review, self-interest and familiarity threats are created. Assuming a management responsibility might also create an advocacy threat because the firm or network firm becomes too closely aligned with the views and interests of management. | Not Present | Reference issue, covered in ICAP 400.18 A2 |
| 400.20A3 | Determining whether an activity is a management responsibility depends on the circumstances and requires the exercise of professional judgment. Examples of activities that would be considered a management responsibility include: • Setting policies and strategic direction. • Hiring or dismissing employees. • Directing and taking responsibility for the actions of employees in relation to the employees' work for the entity. • Authorizing transactions. • Controlling or managing bank accounts or investments. • Deciding which | Not Present | Reference issue, covered in ICAP 400.18 A3 |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | recommendations of the firm or network firm or other third parties to implement. • Reporting to those charged with governance on behalf of management. • Taking responsibility for: o The preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework. o Designing, implementing, monitoring or maintaining internal control. | | |
| 400.20A4 | Subject to compliance with paragraph R400.21, providing advice and recommendations to assist the management of an audit client in discharging its responsibilities is not assuming a management responsibility. The provision of advice and recommendations to an audit client might create a self-review threat and is addressed in Section 600. | Not Present | Reference issue, covered in ICAP 400.18 A4 |
| R400.21 | When performing a professional activity for an audit client, the firm shall be satisfied that client management makes all judgments and decisions that are the proper responsibility of management. This includes ensuring that the client's management: (a) Designates an individual who possesses suitable skill, knowledge and experience to be responsible at all times for the client's decisions and to oversee the activities. Such an individual, preferably within senior management, would understand: (i) The objectives, nature and results of the activities; and (ii) The respective client and firm or network firm responsibilities. However, the individual is not required to possess the expertise to perform or re-perform the activities. (b) Provides oversight of the activities and evaluates the adequacy of the results of the activities performed for the client's purpose. (c) Accepts responsibility for the actions, if any, to be taken arising from the results of the activities. | Not present | Reference issue, covered in ICAP 400.18 A4 |
| 400.21A1 | When technology is used in performing a professional activity for an audit client, the requirements in paragraphs R400.20 and R400.21 apply regardless of the nature or extent of such use of the technology. | When technology is used in performing a professional activity for an audit client, the requirements in paragraphs R400.20 and R400.21 apply regardless of the nature or extent of such use of the technology. | "Changes to the Code" section |
| R400.22 | For the purposes of this Part, a firm shall treat an entity as a public interest entity when it falls within any of the following | For the purposes of this Part, a firm shall treat an entity as a public interest entity when it falls within any of the following categories: (a) A publicly traded | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | categories: (a) A publicly traded entity; (b) An entity one of whose main functions is to take deposits from the public; (c) An entity one of whose main functions is to provide insurance to the public; or (d) An entity specified as such by law, regulation or professional standards to meet the purpose described in paragraph 400.15. | entity; (b) An entity one of whose main functions is to take deposits from the public; (c) An entity one of whose main functions is to provide insurance to the public; or (d) An entity specified as such by law, regulation or professional standards to meet the purpose described in paragraph 400.15. | |
| 400.22A1 | When terms other than public interest entity are applied to entities by law, regulation or professional standards to meet the purpose described in paragraph 400.15, such terms are regarded as equivalent terms. However, if law, regulation or professional standards designate entities as "public interest entities" for reasons unrelated to the purpose described in paragraph 400.15, that designation does not necessarily mean that such entities are public interest entities for the purposes of the Code. | When terms other than public interest entity are applied to entities by law, regulation or professional standards to meet the purpose described in paragraph 400.15, such terms are regarded as equivalent terms. However, if law, regulation or professional standards designate entities as "public interest entities" for reasons unrelated to the purpose described in paragraph 400.15, that designation does not necessarily mean that such entities are public interest entities for the purposes of the Code. | No Change |
| R400.23 | In complying with the requirement in paragraph R400.22, a firm shall take into account more explicit definitions established by law, regulation or professional standards for the categories set out in paragraph R400.22 (a) to (c). | In complying with the requirement in paragraph R400.22, a firm shall take into account more explicit definitions established by law, regulation or professional standards for the categories set out in paragraph R400.22(a) to (c). | No Change |
| 400.23A1 | The categories set out in paragraph R400.22 (a) to (c) are broadly defined and no recognition is given to any size or other factors that can be relevant in a specific jurisdiction. The Code therefore provides for those bodies responsible for setting ethics standards for professional accountants to more explicitly define these categories by, for example: • Making reference to specific public markets for trading securities. • Making reference to the local law or regulation defining banks or insurance companies. • Incorporating exemptions for specific types of entities, such as an entity with mutual ownership. • Setting size criteria for certain types of entities. | The categories set out in paragraph R400.22(a) to (c) are broadly defined and no recognition is given to any size or other factors that can be relevant in a specific jurisdiction. The Code therefore provides for those bodies responsible for setting ethics standards for chartered accountants to more explicitly define these categories by, for example: • Making reference to specific public markets for trading securities. • Making reference to the local law or regulation defining banks or insurance companies. • Incorporating exemptions for specific types of entities, such as an entity with mutual ownership. • Setting size criteria for certain types of entities. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 400.23A2 | Paragraph R400.22 (d) anticipates that those bodies responsible for setting ethics standards for professional accountants will add categories of public interest entities to meet the purpose described in paragraph 400.15, taking into account factors such as those set out in paragraph 400.14. Depending on the facts and circumstances in a specific jurisdiction, such categories | Paragraph R400.22(d) anticipates that those bodies responsible for setting ethics standards for chartered accountants will add categories of public interest entities to meet the purpose described in paragraph 400.15, taking into account factors such as those set out in paragraph 400.14. Depending on the facts and circumstances in a specific jurisdiction, such categories could include: • Pension funds. • Collective investment vehicles. • Private entities with | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | could include: • Pension funds. • Collective investment vehicles. • Private entities with large numbers of stakeholders (other than investors). • Not-for-profit organizations or governmental entities. • Public utilities. | large numbers of stakeholders (other than investors). • Not-for-profit organizations or governmental entities. • Public utilities. | |
| 400.24A1 | A firm is encouraged to determine whether to treat other entities as public interest entities for the purposes of this Part. When making this determination, the firm might consider the factors set out in paragraph 400.14 as well as the following factors: • Whether the entity is likely to become a public interest entity in the near future. • Whether in similar circumstances, a predecessor firm has applied independence requirements for public interest entities to the entity. • Whether in similar circumstances, the firm has applied independence requirements for public interest entities to other entities. • Whether the entity has been specified as not being a public interest entity by law, regulation or professional standards. • Whether the entity or other stakeholders requested the firm to apply independence requirements for public interest entities to the entity and, if so, whether there are any reasons for not meeting this request. • The entity's corporate governance arrangements, for example, whether those charged with governance are distinct from the owners or management. | A firm is encouraged to determine whether to treat other entities as public interest entities for the purposes of this Part. When making this determination, the firm might consider the factors set out in paragraph 400.14 as well as the following factors: • Whether the entity is likely to become a public interest entity in the near future.• Whether in similar circumstances, a predecessor firm has applied independence requirements for public interest entities to the entity. • Whether in similar circumstances, the firm has applied independence requirements for public interest entities to other entities.• Whether the entity has been specified as not being a public interest entity by law, regulation or professional standards.• Whether the entity or other stakeholders requested the firm to apply independence requirements for public interest entities to the entity and, if so, whether there are any reasons for not meeting this request.• The entity's corporate governance arrangements, for example, whether those charged with governance are distinct from the owners or management. | No Change |
| R400.25 | Subject to paragraph R400.26, when a firm has applied the independence requirements for public interest entities as described in paragraph 400.13 in performing an audit of the financial statements of an entity, the firm shall publicly disclose that fact in a manner deemed appropriate, taking into account the timing and accessibility of the information to stakeholders. | Subject to paragraph R400.26, when a firm has applied the independence requirements for public interest entities as described in paragraph 400.13 in performing an audit of the financial statements of an entity, the firm shall publicly disclose that fact in a manner deemed appropriate, taking into account the timing and accessibility of the information to stakeholders. | No Change |
| R400.26 | As an exception to paragraph R400.25, a firm may not make such a disclosure if doing so will result in disclosing confidential future plans of the entity. | 400.13 in performing an audit of the financial statements of an entity, the firm shall publicly disclose that fact in a manner deemed appropriate, taking into account the timing and accessibility of the information to stakeholders. | |
| R400.27 | As defined, an audit client that is a publicly traded entity in accordance with paragraphs R400.22 and R400.23 includes all of its related entities. For all other entities, references to an audit client in this Part include related entities over which the client | As defined, an audit client that is a publicly traded entity in accordance with paragraphs R400.22 and R400.23 includes all of its related entities. For all other entities, references to an audit client in this Part include related entities over which the client has direct or indirect control. When the audit team | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | has direct or indirect control. When the audit team knows, or has reason to believe, that a relationship or circumstance involving any other related entity of the client is relevant to the evaluation of the firm's independence from the client, the audit team shall include that related entity when identifying, evaluating and addressing threats to independence. | knows, or has reason to believe, that a relationship or circumstance involving any other related entity of the client is relevant to the evaluation of the firm's independence from the client, the audit team shall include that related entity when identifying, evaluating and addressing threats to independence. | |
| R400.30 | Independence, as required by this Part, shall be maintained during both: (a) The engagement period; and (b) The period covered by the financial statements. | Independence, as required by this Part, shall be maintained during both: (a) The engagement period; and (b) The period covered by the financial statements. | No Change |
| 400.30A1 | The engagement period starts when the engagement team begins to perform the audit. The engagement period ends when the audit report is issued. When the engagement is of a recurring nature, it ends at the later of the notification by either party that the professional relationship has ended or the issuance of the final audit report. | The engagement period starts when the engagement team begins to perform the audit. The engagement period ends when the audit report is issued. When the engagement is of a recurring nature, it ends at the later of the notification by either party that the professional relationship has ended or the issuance of the final audit report. | No Change |
| R400.31 | If an entity becomes an audit client during or after the period covered by the financial statements on which the firm will express an opinion, the firm shall determine whether any threats to independence are created by: (a) Financial or business relationships with the audit client during or after the period covered by the financial statements but before accepting the audit engagement; or (b) Previous services provided to the audit client by the firm or a network firm. | If an entity becomes an audit client during or after the period covered by the financial statements on which the firm will express an opinion, the firm shall determine whether any threats to independence are created by: (a) Financial or business relationships with the audit client during or after the period covered by the financial statements but before accepting the audit engagement; or (b) Previous services provided to the audit client by the firm or a network firm. | No Change |
| 400.31A1 | Threats to independence are created if a non-assurance service was provided to an audit client during, or after the period covered by the financial statements, but before the engagement team begins to perform the audit, and the service would not be permitted during the engagement period. | Threats to independence are created if a non-assurance service was provided to an audit client during, or after the period covered by the financial statements, but before the engagement team begins to perform the audit, and the service would not be permitted during the engagement period. | No Change |
| 400.31A2 | A factor to be considered in such circumstances is whether the results of the service provided might form part of or affect the accounting records, the internal controls over financial reporting, or the financial statements on which the firm will express an opinion. | A factor to be considered in such circumstances is whether the results of the service provided might form part of or affect the accounting records, the internal controls over financial reporting, or the financial statements on which the firm will express an opinion. | No Change |
| 400.31A3 | Examples of actions that might be safeguards to address threats | Examples of actions that might be safeguards to address threats independence include: • Not | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | independence include: • Not assigning professionals who performed the non-assurance service to be members of the engagement team. • Having an appropriate reviewer review the audit work or non-assurance service as appropriate. • Engaging another firm outside of the network to evaluate the results of the non-assurance service or having another firm outside of the network re-perform the non-assurance service to the extent necessary to enable the other firm to take responsibility for the service. | assigning professionals who performed the non-assurance service to be members of the engagement team. • Having an appropriate reviewer review the audit work or non- assurance service as appropriate. • Engaging another firm outside of the network to evaluate the results of the non-assurance service or having another firm outside of the network re-perform the non-assurance service to the extent necessary to enable the other firm to take responsibility for the service. | |
| 400.31A4 | A threat to independence created by the provision of a non- assurance service by a firm or a network firm prior to the audit engagement period or prior to the period covered by the financial statements on which the firm will express an opinion is eliminated or reduced to an acceptable level if the results of such service have been used or implemented in a period audited by another firm. | A threat to independence created by the provision of a non-assurance service by a firm or a network firm prior to the audit engagement period or prior to the period covered by the financial statements on which the firm will express an opinion is eliminated or reduced to an acceptable level if the results of such service have been used or implemented in a period audited by another firm. | No Change |
| R400.32 | A firm shall not accept appointment as auditor of a public interest entity to which the firm or the network firm has provided a non-assurance service prior to such appointment that might create a self-review threat in relation to the financial statements on which the firm will express an opinion unless: (a) The provision of such service ceases before the commencement of the audit engagement period; (b) The firm takes action to address any threats to its independence; and (c) The firm determines that, in the view of a reasonable and informed third party, any threats to the firm's independence have been or will be eliminated or reduced to an acceptable level. | A firm shall not accept appointment as auditor of a public interest entity to which the firm or the network firm has provided a non-assurance service prior to such appointment that might create a self-review threat in relation to the financial statements on which the firm will express an opinion unless: (a) The provision of such service ceases before the commencement of the audit engagement period; (b) The firm takes action to address any threats to its independence; and (c) The firm determines that, in the view of a reasonable and informed third party, any threats to the firm's independence have been or will be eliminated or reduced to an acceptable level. | No Change |
| 400.32A1 | Actions that might be regarded by a reasonable and informed third party as eliminating or reducing to an acceptable level any threats to independence created by the provision of non- assurance services to a public interest entity prior to appointment as auditor of that entity include: • The results of the service had been subject to auditing procedures in the course of the audit of the prior year's financial statements by a predecessor firm. • The firm engages a professional accountant, who is not a member of the firm expressing the opinion | Actions that might be regarded by a reasonable and informed third party as eliminating or reducing to an acceptable level any threats to independence created by the provision of non-assurance services to a public interest entity prior to appointment as auditor of that entity include: • The results of the service had been subject to auditing procedures in the course of the audit of the prior year's financial statements by a predecessor firm. • The firm engages a chartered accountant, who is not a member of the firm expressing the opinion on the financial statements, to perform a review of the first audit engagement affected by the self-review threat | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | on the financial statements, to perform a review of the first audit engagement affected by the self-review threat consistent with the objective of an engagement quality review. • The public interest entity engages another firm outside of the network to: (i) Evaluate the results of the non-assurance service; or (ii) Re-perform the service, to the extent necessary to enable the other firm to take responsibility for the result of the service. | consistent with the objective of an engagement quality review. • The public interest entity engages another firm outside of the network to: (i) Evaluate the results of the non-assurance service; or (ii) Re-perform the service, to the extent necessary to enable the other firm to take responsibility for the result of the service. | |
| 400.40A1 | Paragraphs R300.9 and R300.10 set out requirements with respect to communicating with those charged with governance. | Paragraphs R300.9 and R300.10 set out requirements with respect to communicating with those charged with governance | No Changes |
| 400.40A2 | Even when not required by the Code, applicable professional standards, laws or regulations, regular communication is encouraged between a firm and those charged with governance of the client regarding relationships and other matters that might, in the firm's opinion, reasonably bear on independence. Such communication enables those charged with governance to: (a) Consider the firm's judgments in identifying and evaluating threats; (b) Consider how threats have been addressed including the appropriateness of safeguards when they are available and capable of being applied; and (c) Take appropriate action. Such an approach can be particularly helpful with respect to intimidation and familiarity threats. | Even when not required by the Code, applicable professional standards, laws or regulations, regular communication is encouraged between a firm and those charged with governance of the client regarding relationships and other matters that might, in the firm's opinion, reasonably bear on independence. Such communication enables those charged with governance to: (a) Consider the firm's judgments in identifying and evaluating threats; (b) Consider how threats have been addressed including the appropriateness of safeguards when they are available and capable of being applied; and (c) Take appropriate action. Such an approach can be particularly helpful with respect to intimidation and familiarity threats. | No Change |
| 400.50A1 | Firms frequently form larger structures with other firms and entities to enhance their ability to provide professional services. Whether these larger structures create a network depends on the particular facts and circumstances. It does not depend on whether the firms and entities are legally separate and distinct. | Firms frequently form larger structures with other firms and entities to enhance their ability to provide professional services. Whether these larger structures create a network depends on the particular facts and circumstances. It does not depend on whether the firms and entities are legally separate and distinct. | No Change |
| R400.51 | A network firm shall be independent of the audit clients of the other firms within the network as required by this Part. | A network firm shall be independent of the audit clients of the other firms within the network as required by this Part. | No Change |
| 400.51A1 | The independence requirements in this Part that apply to a network firm apply to any entity that meets the definition of a network firm. It is not necessary for the entity also to meet the definition of a firm. For example, a consulting practice or professional law practice might be a network firm but not a firm. | The independence requirements in this Part that apply to a network firm apply to any entity that meets the definition of a network firm. It is not necessary for the entity also to meet the definition of a firm. For example, a consulting practice or professional law practice might be a network firm but not a firm. | No Change |

**Annexure B**

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| R400.52 | When associated with a larger structure of other firms and entities, a firm shall: (a) Exercise professional judgment to determine whether a network is created by such a larger structure; (b) Consider whether a reasonable and informed third party would be likely to conclude that the other firms and entities in the larger structure are associated in such a way that a network exists; and (c) Apply such judgment consistently throughout such a larger structure. | When associated with a larger structure of other firms and entities, a firm shall: (a) Exercise professional judgment to determine whether a network is created by such a larger structure; (b) Consider whether a reasonable and informed third party would be likely to conclude that the other firms and entities in the larger structure are associated in such a way that a network exists; and (c) Apply such judgment consistently throughout such a larger structure. | No Change |
| R400.53 | When determining whether a network is created by a larger structure of firms and other entities, a firm shall conclude that a network exists when such a larger structure is aimed at cooperation and: (a) It is clearly aimed at profit or cost sharing among the entities within the structure. (Ref: Para. 400.53 A2); (b) The entities within the structure share common ownership, control or management. (Ref: Para. 400.53 A3); (c) The entities within the structure share common quality management policies and procedures. (Ref: Para. 400.53 A4); (d) The entities within the structure share a common business strategy. (Ref: Para. 400.53 A5); (e) The entities within the structure share the use of a common brand name. (Ref: Para. 400.53 A6, 400.53 A7); or (f) The entities within the structure share a significant part of professional resources. (Ref: Para 400.53 A8, 400.53 A9). | When determining whether a network is created by a larger structure of firms and other entities, a firm shall conclude that a network exists when such a larger structure is aimed at co-operation and: (a) It is clearly aimed at profit or cost sharing among the entities within the structure. (Ref: Para. 400.53 A2); (b) The entities within the structure share common ownership, control or management. (Ref: Para. 400.53 A3); (c) The entities within the structure share common quality management policies and procedures. (Ref: Para. 400.53 A4); (d) The entities within the structure share a common business strategy. (Ref: Para. 400.53 A5); (e) The entities within the structure share the use of a common brand name. (Ref: Para. 400.53 A6, 400.53 A7); or (f) The entities within the structure share a significant part of professional resources. (Ref: Para 400.53 A8, 400.53 A9). | No Change |
| 400.53A1 | There might be other arrangements between firms and entities within a larger structure that constitute a network, in addition to those arrangements described in paragraph R400.53. However, a larger structure might be aimed only at facilitating the referral of work, which in itself does not meet the criteria necessary to constitute a network. | There might be other arrangements between firms and entities within a larger structure that constitute a network, in addition to those arrangements described in paragraph R400.53. However, a larger structure might be aimed only at facilitating the referral of work, which in itself does not meet the criteria necessary to constitute a network. | No Change |
| 400.53A2 | The sharing of immaterial costs does not in itself create a network. In addition, if the sharing of costs is limited only to those costs related to the development of audit methodologies, manuals or training courses, this would not in itself create a network. Further, an association between a firm and an otherwise unrelated entity jointly to provide a service or develop a product does not in itself create a network. | The sharing of immaterial costs does not in itself create a network. In addition, if the sharing of costs is limited only to those costs related to the development of audit methodologies, manuals or training courses, this would not in itself create a network. Further, an association between a firm and an otherwise unrelated entity jointly to provide a service or develop a product does not in itself create a network. (Ref: Para. R400.53(a)). | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 400.53A3 | Common ownership, control or management might be achieved by contract or other means. (Ref: Para. R400.53(b)). | Common ownership, control or management might be achieved by contract or other means. (Ref: Para. R400.53(b)). | No Change |
| 400.53A4 | Common quality management policies and procedures are those designed, implemented and operated across the larger structure. (Ref: Para. R400.53(c)). | Common quality management policies and procedures are those designed, implemented and operated across the larger structure. (Ref: Para. R400.53(c)). | No Change |
| 400.53A5 | Sharing a common business strategy involves an agreement by the entities to achieve common strategic objectives. An entity is not a network firm merely because it co-operates with another entity solely to respond jointly to a request for a proposal for the provision of a professional service. (Ref: Para. R400.53(d)). | Sharing a common business strategy involves an agreement by the entities to achieve common strategic objectives. An entity is not a network firm merely because it co-operates with another entity solely to respond jointly to a request for a proposal for the provision of a professional service. (Ref: Para. R400.53(d)). | No Change |
| 400.53A6 | A common brand name includes common initials or a common name. A firm is using a common brand name if it includes, for example, the common brand name as part of, or along with, its firm name when a partner of the firm signs an audit report. (Ref: Para. R400.53(e)). | A common brand name includes common initials or a common name. A firm is using a common brand name if it includes, for example, the common brand name as part of, or along with, its firm name when a partner of the firm signs an audit report. (Ref: Para. R400.53(e)). | No Change |
| 400.53A7 | Even if a firm does not belong to a network and does not use a common brand name as part of its firm name, it might appear to belong to a network if its stationery or promotional materials refer to the firm being a member of an association of firms. Accordingly, if care is not taken in how a firm describes such membership, a perception might be created that the firm belongs to a network. (Ref: Para. R400.53(e)). | Even if a firm does not belong to a network and does not use a common brand name as part of its firm name, it might appear to belong to a network if its stationery or promotional materials refer to the firm being a member of an association of firms. Accordingly, if care is not taken in how a firm describes such membership, a perception might be created that the firm belongs to a network. (Ref: Para. R400.53(e)). | No Change |
| 400.53A8 | Professional resources include: • Common systems that enable firms to exchange information such as client data, billing and time records. • Partners and other personnel. • Technical departments that consult on technical or industry-specific issues, transactions or events for assurance engagements. • Audit methodology or audit manuals. • Training courses and facilities. (Ref: Para. R400.53(f)). | Professional resources include: • Common systems that enable firms to exchange information such as client data, billing and time records. • Partners and other personnel. • Technical departments that consult on technical or industry- specific issues, transactions or events for assurance engagements. • Audit methodology or audit manuals. • Training courses and facilities. (Ref: Para. R400.53(f)). | No Change |
| 400.53A9 | Whether the shared professional resources are significant depends on the circumstances. For example: • The shared resources might be limited to common audit methodology or audit manuals, with no exchange of personnel or client or market | Whether the shared professional resources are significant depends on the circumstances. For example: • The shared resources might be limited to common audit methodology or audit manuals, with no exchange of personnel or client or market information. In such circumstances, it is unlikely that | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| | information. In such circumstances, it is unlikely that the shared resources would be significant. The same applies to a common training endeavor. • The shared resources might involve the exchange of personnel or information, such as where personnel are drawn from a shared pool, or where a common technical department is created within the larger structure to provide participating firms with technical advice that the firms are required to follow. In such circumstances, a reasonable and informed third party is more likely to conclude that the shared resources are significant. (Ref: Para. R400.53(f)). | the shared resources would be significant. The same applies to a common training endeavor. • The shared resources might involve the exchange of personnel or information, such as where personnel are drawn from a shared pool, or where a common technical department is created within the larger structure to provide participating firms with technical advice that the firms are required to follow. In such circumstances, a reasonable and informed third party is more likely to conclude that the shared resources are significant. (Ref: Para. R400.53(f)). | |
| R400.54 | If a firm or a network sells a component of its practice, and the component continues to use all or part of the firm's or network's name for a limited time, the relevant entities shall determine how to disclose that they are not network firms when presenting themselves to outside parties. | If a firm or a network sells a component of its practice, and the component continues to use all or part of the firm's or network's name for a limited time, the relevant entities shall determine how to disclose that they are not network firms when presenting themselves to outside parties. | No Change |
| 400.54A1 | The agreement for the sale of a component of a practice might provide that, for a limited period of time, the sold component can continue to use all or part of the name of the firm or the network, even though it is no longer connected to the firm or the network. In such circumstances, while the two entities might be practicing under a common name, the facts are such that they do not belong to a larger structure aimed at cooperation. The two entities are therefore not network firms. | The agreement for the sale of a component of a practice might provide that, for a limited period of time, the sold component can continue to use all or part of the name of the firm or the network, even though it is no longer connected to the firm or the network. In such circumstances, while the two entities might be practicing under a common name, the facts are such that they do not belong to a larger structure aimed at cooperation. The two entities are therefore not network firms. | No Change |
| R400.60 | A firm shall document conclusions regarding compliance with this Part, and the substance of any relevant discussions that support those conclusions. In particular: (a) When safeguards are applied to address a threat, the firm shall document the nature of the threat and the safeguards in place or applied; and (b) When a threat required significant analysis and the firm concluded that the threat was already at an acceptable level, the firm shall document the nature of the threat and the rationale for the conclusion. | A firm shall document conclusions regarding compliance with this Part, and the substance of any relevant discussions that support those conclusions. In particular: (a) When safeguards are applied to address a threat, the firm shall document the nature of the threat and the safeguards in place or applied; and (b) When a threat required significant analysis and the firm concluded that the threat was already at an acceptable level, the firm shall document the nature of the threat and the rationale for the conclusion. | No Change |
| 400.60A1 | Documentation provides evidence of the firm's judgments in forming conclusions regarding compliance with this Part. However, a lack of documentation does not determine whether a firm considered a | Documentation provides evidence of the firm's judgments in forming conclusions regarding compliance with this Part. However, a lack of documentation does not determine whether a firm | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | particular matter or whether the firm is independent. | considered a particular matter or whether the firm is independent. | |
| 400.70A1 | An entity might become a related entity of an audit client because of a merger or acquisition. A threat to independence and, therefore, to the ability of a firm to continue an audit engagement might be created by previous or current interests or relationships between a firm or network firm and such a related entity. | An entity might become a related entity of an audit client because of a merger or acquisition. A threat to independence and, therefore, to the ability of a firm to continue an audit engagement might be created by previous or current interests or relationships between a firm or network firm and such a related entity. | No Change |
| R400.71 | In the circumstances set out in paragraph 400.70 A1, (a) The firm shall identify and evaluate previous and current interests and relationships with the related entity that, taking into account any actions taken to address the threat, might affect its independence and therefore its ability to continue the audit engagement after the effective date of the merger or acquisition; and (b) Subject to paragraph R400.72, the firm shall take steps to end any interests or relationships that are not permitted by the Code by the effective date of the merger or acquisition. | In the circumstances set out in paragraph 400.70 A1, (a) The firm shall identify and evaluate previous and current interests and relationships with the related entity that, taking into account any actions taken to address the threat, might affect its independence and therefore its ability to continue the audit engagement after the effective date of the merger or acquisition; and (b) Subject to paragraph R400.72, the firm shall take steps to end any interests or relationships that are not permitted by the Code by the effective date of the merger or acquisition. | No Change |
| R400.72 | As an exception to paragraph R400.71(b), if the interest or relationship cannot reasonably be ended by the effective date of the merger or acquisition, the firm shall: (a) Evaluate the threat that is created by the interest or relationship; and (b) Discuss with those charged with governance the reasons why the interest or relationship cannot reasonably be ended by the effective date and the evaluation of the level of the threat. | As an exception to paragraph R400.71(b), if the interest or relationship cannot reasonably be ended by the effective date of the merger or acquisition, the firm shall: (a) Evaluate the threat that is created by the interest or relationship; and (b) Discuss with those charged with governance the reasons why the interest or relationship cannot reasonably be ended by the effective date and the evaluation of the level of the threat. | No Change |
| 400.72A1 | In some circumstances, it might not be reasonably possible to end an interest or relationship creating a threat by the effective date of the merger or acquisition. This might be because the firm provides a non-assurance service to the related entity, which the entity is not able to transition in an orderly manner to another provider by that date. | In some circumstances, it might not be reasonably possible to end an interest or relationship creating a threat by the effective date of the merger or acquisition. This might be because the firm provides a non- assurance service to the related entity, which the entity is not able to transition in an orderly manner to another provider by that date. | No Change |
| 400.72A2 | Factors that are relevant in evaluating the level of a threat created by mergers and acquisitions when there are interests and relationships that cannot reasonably be ended include: • The nature and significance of the interest or relationship. • The nature and significance of the related entity | Factors that are relevant in evaluating the level of a threat created by mergers and acquisitions when there are interests and relationships that cannot reasonably be ended include: • The nature and significance of the interest or relationship. • The nature and significance of the related entity relationship (for example, whether the related entity | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | relationship (for example, whether the related entity is a subsidiary or parent). • The length of time until the interest or relationship can reasonably be ended. | is a subsidiary or parent). • The length of time until the interest or relationship can reasonably be ended. | |
| R400.73 | If, following the discussion set out in paragraph R400.72(b), those charged with governance request the firm to continue as the auditor, the firm shall do so only if: (a) The interest or relationship will be ended as soon as reasonably possible but no later than six months after the effective date of the merger or acquisition; (b) Any individual who has such an interest or relationship, including one that has arisen through performing a non- assurance service that would not be permitted by Section 600 and its subsections, will not be a member of the engagement team for the audit or the individual responsible for the engagement quality review; and (c) Transitional measures will be applied, as necessary, and discussed with those charged with governance. | If, following the discussion set out in paragraph R400.72(b), those charged with governance request the firm to continue as the auditor, the firm shall do so only if: (a) The interest or relationship will be ended as soon as reasonably possible but no later than six months after the effective date of the merger or acquisition; (b) Any individual who has such an interest or relationship, including one that has arisen through performing a non- assurance service that would not be permitted by Section 600 and its subsections, will not be a member of the engagement team for the audit or the individual responsible for the engagement quality review; and (c) Transitional measures will be applied, as necessary, and discussed with those charged with governance. | No Change |
| 400.73A1 | Examples of such transitional measures include: • Having a professional accountant review the audit or non- assurance work as appropriate. • Having a professional accountant, who is not a member of the firm expressing the opinion on the financial statements, perform a review that is consistent with the objective of an engagement quality review. • Engaging another firm to evaluate the results of the non- assurance service or having another firm re-perform the non-assurance service to the extent necessary to enable the other firm to take responsibility for the service. | Examples of such transitional measures include: • Having a chartered accountant review the audit or non- assurance work as appropriate. • Having a chartered accountant, who is not a member of the firm expressing the opinion on the financial statements, perform a review that is consistent with the objective of an engagement quality review. • Engaging another firm to evaluate the results of the non- assurance service or having another firm re-perform the non- assurance service to the extent necessary to enable the other firm to take responsibility for the service. | Terminology differs: ‘chartered accountant’ vs ‘professional accountant’” |
| R400.74 | The firm might have completed a significant amount of work on the audit prior to the effective date of the merger or acquisition and might be able to complete the remaining audit procedures within a short period of time. In such circumstances, if those charged with governance request the firm to complete the audit while continuing with an interest or relationship identified in paragraph 400.70 A1, the firm shall only do so if it: (a) Has evaluated the level of the threat and discussed the results with those charged with governance (b) Complies with the requirements of paragraph R400.73(b) to (c); and (c) Ceases to be the auditor no | The firm might have completed a significant amount of work on the audit prior to the effective date of the merger or acquisition and might be able to complete the remaining audit procedures within a short period of time. In such circumstances, if those charged with governance request the firm to complete the audit while continuing with an interest or relationship identified in paragraph R400.73(b) to (c); and (c) Ceases to be the auditor no later than the date that the audit report is issued | |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | later than the date that the audit report is issued. | | |
| R400.75 | Even if all the requirements of paragraphs R400.71 to R400.74 could be met, the firm shall determine whether the circumstances identified in paragraph 400.70 A1 create a threat that cannot be addressed such that objectivity would be compromised. If so, the firm shall cease to be the auditor | Even if all the requirements of paragraphs R400.71 to R400.74 could be met, the firm shall determine whether the circumstances identified in paragraph 400.70 A1 create a threat that cannot be addressed such that objectivity would be compromised. If so, the firm shall cease to be the auditor. | No Change |
| R400.76 | The firm shall document: (a) Any interests or relationships identified in paragraph 400.70 A1 that will not be ended by the effective date of the merger or acquisition and the reasons why they will not be ended; (b) The transitional measures applied; (c) The results of the discussion with those charged with governance; and (d) The reasons why the previous and current interests and relationships do not create a threat such that objectivity would be compromised. | The firm shall document: (a) Any interests or relationships identified in paragraph 400.70 A1 that will not be ended by the effective date of the merger or acquisition and the reasons why they will not be ended; (b) The transitional measures applied; (c) The results of the discussion with those charged with governance; and(d) The reasons why the previous and current interests and relationships do not create a threat such that objectivity would be compromised. | No Change |
| R400.80 | If a firm concludes that a breach of a requirement in this Part has occurred, the firm shall: (a) End, suspend or eliminate the interest or relationship that created the breach and address the consequences of the breach; (b) Consider whether any legal or regulatory requirements apply to the breach and, if so: (i) Comply with those requirements; and (ii) Consider reporting the breach to a professional or regulatory body or oversight authority if such reporting is common practice or expected in the relevant jurisdiction; (c) Promptly communicate the breach in accordance with its policies and procedures to: (i) The engagement partner; (ii) The individual with operational responsibility for compliance with independence requirements; (iii) Other relevant personnel in the firm and, where appropriate, the network; and (iv) Those subject to the independence requirements in Part 4A who need to take appropriate action; (d) Evaluate the significance of the breach and its impact on the firm's objectivity and ability to issue an audit report; and (e) Depending on the significance of the breach, determine: (i) Whether to end the audit engagement; or (ii) Whether it is possible to take action that satisfactorily addresses the consequences of the breach and whether such action can be taken and is appropriate in the circumstances. In making this determination, the firm shall exercise | If a firm concludes that a breach of a requirement in this Part has occurred, the firm shall:(a) End, suspend or eliminate the interest or relationship that created the breach and address the consequences of the breach; (b) Consider whether any legal or regulatory requirements apply to the breach and, if so: (i) Comply with those requirements; and<br>(ii) Consider reporting the breach to a professional or regulatory body or oversight authority if such reporting is common practice or expected in the relevant jurisdiction; (c) Promptly communicate the breach in accordance with its policies and procedures to:(i) The engagement partner; (ii) The individual with operational responsibility for compliance with independence requirements; (iii) Other relevant personnel in the firm and, where appropriate, the network; and (iv) Those subject to the independence requirements in Part 4A who need to take appropriate action; (d) Evaluate the significance of the breach and its impact on the firm's objectivity and ability to issue an audit report; and (e) Depending on the significance of the breach, determine: (i) Whether to end the audit engagement; or (ii) Whether it is possible to take action that satisfactorily addresses the consequences of the breach and whether such action can be taken and is appropriate in the circumstances. In making this determination, the firm shall exercise professional judgment and take into account whether a reasonable and informed third party would be likely to conclude that the firm's objectivity would be compromised, and therefore, the firm would be unable to issue an audit report. | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | professional judgment and take into account whether a reasonable and informed third party would be likely to conclude that the firm's objectivity would be compromised, and therefore, the firm would be unable to issue an audit report. | | |
| 400.80A1 | A breach of a provision of this Part might occur despite the firm having a system of quality management designed to address independence requirements. It might be necessary to end the audit engagement because of the breach. | A breach of a provision of this Part might occur despite the firm having a system of quality management designed to address independence requirements. It might be necessary to end the audit engagement because of the breach. | No Change |
| 400.80A2 | The significance and impact of a breach on the firm's objectivity and ability to issue an audit report will depend on factors such as: • The nature and duration of the breach. • The number and nature of any previous breaches with respect to the current audit engagement. • Whether an audit team member had knowledge of the interest or relationship that created the breach. • Whether the individual who created the breach is an audit team member or another individual for whom there are independence requirements. • If the breach relates to an audit team member, the role of that individual. • If the breach was created by providing a professional service, the impact of that service, if any, on the accounting records or the amounts recorded in the financial statements on which the firm will express an opinion. • The extent of the self-interest, advocacy, intimidation or other threats created by the breach. | The significance and impact of a breach on the firm's objectivity and ability to issue an audit report will depend on factors such as: • The nature and duration of the breach. • The number and nature of any previous breaches with respect to the current audit engagement. • Whether an audit team member had knowledge of the interest or relationship that created the breach. • Whether the individual who created the breach is an audit team member or another individual for whom there are independence requirements. • If the breach relates to an audit team member, the role of that individual. • If the breach was created by providing a professional service, the impact of that service, if any, on the accounting records or the amounts recorded in the financial statements on which the firm will express an opinion. • The extent of the self-interest, advocacy, intimidation or other threats created by the breach. | No Change |
| 400.80A3 | Depending upon the significance of the breach, examples of actions that the firm might consider to address the breach satisfactorily include: • Removing the relevant individual from the audit team. • Using different individuals to conduct an additional review of the affected audit work or to re-perform that work to the extent necessary. • Recommending that the audit client engage another firm to review or re-perform the affected audit work to the extent necessary. • If the breach relates to a non-assurance service that affects the accounting records or an amount recorded in the financial statements, engaging another firm to evaluate the results of the non-assurance service or having another firm re-perform the non-assurance service to | Depending upon the significance of the breach, examples of actions that the firm might consider to address the breach satisfactorily include: • Removing the relevant individual from the audit team. \• Using different individuals to conduct an additional review of the affected audit work or to re-perform that work to the extent necessary. • Recommending that the audit client engage another firm to review or re-perform the affected audit work to the extent necessary. • If the breach relates to a non-assurance service that affects the accounting records or an amount recorded in the financial statements, engaging another firm to evaluate the results of the non-assurance service or having another firm re-perform the non-assurance service to the extent necessary to enable the other firm to take responsibility for the service. | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| | the extent necessary to enable the other firm to take responsibility for the service. | | |
| R400.81 | If the firm determines that action cannot be taken to address the consequences of the breach satisfactorily, the firm shall inform those charged with governance as soon as possible and take the steps necessary to end the audit engagement in compliance with any applicable legal or regulatory requirements. Where ending the engagement is not permitted by laws or regulations, the firm shall comply with any reporting or disclosure requirements. | If the firm determines that action cannot be taken to address the consequences of the breach satisfactorily, the firm shall inform those charged with governance as soon as possible and take the steps necessary to end the audit engagement in compliance with any applicable legal or regulatory requirements. Where ending the engagement is not permitted by laws or regulations, the firm shall comply with any reporting or disclosure requirements. | No Change |
| R400.82 | If the firm determines that action can be taken to address the consequences of the breach satisfactorily, the firm shall discuss with those charged with governance: (a) The significance of the breach, including its nature and duration; (b) How the breach occurred and how it was identified; (c) The action proposed or taken and why the action will satisfactorily address the consequences of the breach and enable the firm to issue an audit report; (d) The conclusion that, in the firm's professional judgment, objectivity has not been compromised and the rationale for that conclusion; and (e) Any steps proposed or taken by the firm to reduce or avoid the risk of further breaches occurring. Such discussion shall take place as soon as possible unless an alternative timing is specified by those charged with governance for reporting less significant breaches. | If the firm determines that action can be taken to address the consequences of the breach satisfactorily, the firm shall discuss with those charged with governance: (a) The significance of the breach, including its nature and duration; (b) How the breach occurred and how it was identified; (c) The action proposed or taken and why the action will satisfactorily address the consequences of the breach and enable the firm to issue an audit report; (d) The conclusion that, in the firm's professional judgment, objectivity has not been compromised and the rationale for that conclusion; and (e) Any steps proposed or taken by the firm to reduce or avoid the risk of further breaches occurring. Such discussion shall take place as soon as possible unless an alternative timing is specified by those charged with governance for reporting less significant breaches. | No Change |
| 400.83A1 | Paragraphs R300.9 and R300.10 set out requirements with respect to communicating with those charged with governance. | Paragraphs R300.9 and R300.10 set out requirements with respect to communicating with those charged with governance. | No Change |
| R400.84 | With respect to breaches, the firm shall communicate in writing to those charged with governance: (a) All matters discussed in accordance with paragraph R400.82 and obtain the concurrence of those charged with governance that action can be, or has been, taken to satisfactorily address the consequences of the breach; and (b) A description of: (i) The firm's policies and procedures relevant to the breach designed to provide it with reasonable assurance that independence is maintained; and (ii) Any steps that the firm has taken, or proposes to take, to reduce or avoid the risk of further breaches occurring. | With respect to breaches, the firm shall communicate in writing to those charged with governance: (a) All matters discussed in accordance with paragraph R400.82 and obtain the concurrence of those charged with governance that action can be, or has been, taken to satisfactorily address the consequences of the breach; and (b) A description of: (i) The firm's policies and procedures relevant to the breach designed to provide it with reasonable assurance that independence is maintained; and(ii) Any steps that the firm has taken, or proposes to take, to reduce or avoid the risk of further breaches occurring. | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| R400.85 | If those charged with governance do not concur that the action proposed by the firm in accordance with paragraph R400.80(e)(ii) satisfactorily addresses the consequences of the breach, the firm shall take the steps necessary to end the audit engagement in accordance with paragraph R400.81. | If those charged with governance do not concur that the action proposed by the firm in accordance with paragraph R400.80(e)(ii) satisfactorily addresses the consequences of the breach, the firm shall take the steps necessary to end the audit engagement in accordance with paragraph R400.81. Breaches Before the Previous Audit Report Was Issued | No Change |
| R400.86 | If the breach occurred prior to the issuance of the previous audit report, the firm shall comply with the provisions of Part 4A in evaluating the significance of the breach and its impact on the firm's objectivity and its ability to issue an audit report in the current period. | If the breach occurred prior to the issuance of the previous audit report, the firm shall comply with the provisions of Part 4A in evaluating the significance of the breach and its impact on the firm's objectivity and its ability to issue an audit report in the current period. | No Change |
| R400.87 | The firm shall also: (a) Consider the impact of the breach, if any, on the firm's objectivity in relation to any previously issued audit reports, and the possibility of withdrawing such audit reports; and (b) Discuss the matter with those charged with governance. | The firm shall also: (a) Consider the impact of the breach, if any, on the firm's objectivity in relation to any previously issued audit reports, and the possibility of withdrawing such audit reports; and (b) Discuss the matter with those charged with governance. | No Change |
| R400.88 | In complying with the requirements in paragraphs R400.80 to R400.87, the firm shall document: (a) The breach; (b) The actions taken; (c) The key decisions made; (d) All the matters discussed with those charged with governance; and (e) Any discussions with a professional or regulatory body or oversight authority. | In complying with the requirements in paragraphs R400.80 to R400.87, the firm shall document: (a) The breach; (b) The actions taken; (c) The key decisions made; (d) All the matters discussed with those charged with governance; and (e) Any discussions with a professional or regulatory body or oversight authority | No Change |
| R400.89 | If the firm continues with the audit engagement, it shall document: (a) The conclusion that, in the firm's professional judgment, objectivity has not been compromised; and (b) The rationale for why the action taken satisfactorily addressed the consequences of the breach so that the firm could issue an audit report. | If the firm continues with the audit engagement, it shall document: (a) The conclusion that, in the firm's professional judgment, objectivity has not been compromised; and (b) The rationale for why the action taken satisfactorily addressed the consequences of the breach so that the firm could issue an audit report. | No Change |
| 405.1 | Section 400 requires a firm to be independent when performing an audit engagement, and to apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. This section sets out specific requirements and application material relevant to applying the conceptual framework when performing a group audit engagement. | Section 400 requires a firm to be independent when performing an audit engagement, and to apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. This section sets out specific requirements and application material relevant to applying the conceptual framework when performing a group audit engagement. | No Change |
| 405.2A1 | ISAs apply to an audit of group financial statements. ISA 600 (Revised) deals with | ISAs apply to an audit of group financial statements. ISA 600 (Revised) deals with special considerations | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | special considerations that apply to an audit of group financial statements, including when component auditors are involved. ISA 600 (Revised) requires the group engagement partner to take responsibility for confirming whether the component auditors understand and will comply with the relevant ethical requirements, including those related to independence, that apply to the group audit. The independence requirements referred to in ISA 600 (Revised), or other relevant auditing standards applicable to group audits that are equivalent to ISA 600 (Revised), are those specified in this section. | that apply to an audit of group financial statements, including when component auditors are involved. ISA 600 (Revised) requires the group engagement partner to take responsibility for confirming whether the component auditors understand and will comply with the relevant ethical requirements, including those related to independence, that apply to the group audit. The independence requirements referred to in ISA 600 (Revised), or other relevant auditing standards applicable to group audits that are equivalent to ISA 600 (Revised), are those specified in this section. | |
| 405.2A2 | A component auditor firm that participates in a group audit engagement might separately issue an audit opinion on the financial statements of the component audit client. Depending on the circumstances, the component auditor firm might need to comply with different independence requirements when performing audit work for a group audit and separately issuing an audit opinion on the financial statements of the component audit client for statutory, regulatory or other reasons. | A component auditor firm that participates in a group audit engagement might separately issue an audit opinion on the financial statements of the component audit client. Depending on the circumstances, the component auditor firm might need to comply with different independence requirements when performing audit work for a group audit and separately issuing an audit opinion on the financial statements of the component audit client for statutory, regulatory or other reasons. | No Change |
| R405.3 | ISA 600 (Revised) requires the group engagement partner to take responsibility to make a component auditor aware of the relevant ethical requirements that are applicable given the nature and the circumstances of the group audit engagement. When making the component auditor firm aware of the relevant ethical requirements, the group auditor firm shall communicate at appropriate times the necessary information to enable the component auditor firm to meet its responsibilities under this section. | ISA 600 (Revised) requires the group engagement partner to take responsibility to make a component auditor aware of the relevant ethical requirements that are applicable given the nature and the circumstances of the group audit engagement. When making the component auditor firm aware of the relevant ethical requirements, the group auditor firm shall communicate at appropriate times the necessary information to enable the component auditor firm to meet its responsibilities under this section. | No Change |
| 405.3A1 | Examples of matters the group auditor firm might communicate include: • Whether the group audit client is a public interest entity and the relevant ethical requirements applicable to the group audit engagement. • The related entities and other components within the group audit client that are relevant to the independence considerations applicable to the component auditor firm and the group audit team members within, or engaged by, that firm. • The period during which the component auditor firm is required to be independent. • Whether an audit | Examples of matters the group auditor firm might communicate include: • Whether the group audit client is a public interest entity and the relevant ethical requirements applicable to the group audit engagement. • The related entities and other components within the group audit client that are relevant to the independence considerations applicable to the component auditor firm and the group audit team members within, or engaged by, that firm. • The period during which the component auditor firm is required to be independent. • Whether an audit partner who performs work at the | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| | partner who performs work at the component for purposes of the group audit is a key audit partner for the group audit. | component for purposes of the group audit is a key audit partner for the group audit. | |
| R405.4 | ISA 600 (Revised) also requires the group engagement partner to request the component auditor to communicate whether the component auditor has complied with the relevant ethical requirements, including those related to independence, that apply to the group audit engagement. For the purposes of this section, such a request shall include the communication of: (a) Any independence matters that require significant judgment; and (b) In relation to those matters, the component auditor firm's conclusion whether the threats to its independence are at an acceptable level, and the rationale for that conclusion. | ISA 600 (Revised) also requires the group engagement partner to request the component auditor to communicate whether the component auditor has complied with the relevant ethical requirements, including those related to independence, that apply to the group audit engagement. For the purposes of this section, such a request shall include the communication of: (a) Any independence matters that require significant judgment; and (b) In relation to those matters, the component auditor firm's conclusion whether the threats to its independence are at an acceptable level, and the rationale for that conclusion. | No Change |
| 405.4A1 | If a matter comes to the attention of the group engagement partner that indicates that a threat to independence exists, ISA 220 (Revised) requires the group engagement partner to evaluate the threat and take appropriate action. | If a matter comes to the attention of the group engagement partner that indicates that a threat to independence exists, ISA 220 (Revised) requires the group engagement partner to evaluate the threat and take appropriate action. | No Change |
| R405.5 | Members of the group audit team within, or engaged by, the group auditor firm and its network firms shall be independent of the group audit client in accordance with the requirements of this Part that are applicable to the audit team. Other Members of the Group Audit Team | Members of the group audit team within, or engaged by, the group auditor firm and its network firms shall be independent of the group audit client in accordance with the requirements of this Part that are applicable to the audit team. | Slight change. |
| R405.6 | Members of the group audit team within, or engaged by, a component auditor firm outside the group auditor firm's network shall be independent of: (a) The component audit client; (b) The entity on whose group financial statements the group auditor firm expresses an opinion; and (c) Any entity over which the entity in subparagraph (b) has direct or indirect control, provided that such entity has direct or indirect control over the component audit client, in accordance with the requirements of this Part that are applicable to the audit team. | Members of the group audit team within, or engaged by, a component auditor firm outside the group auditor firm's network shall be independent of: (a) The component audit client; (b) The entity on whose group financial statements the group auditor firm expresses an opinion; and (c) Any entity over which the entity in subparagraph (b) has direct or indirect control, provided that such entity has direct or indirect control over the component audit client, in accordance with the requirements of this Part that are applicable to the audit team. | No Change |
| R405.7 | In relation to related entities or components within the group audit client other than those covered in paragraph R405.6, a member of the group audit team within, or engaged by, a component auditor firm outside the group auditor firm's network shall notify the | In relation to related entities or components within the group audit client other than those covered in paragraph R405.6, a member of the group audit team within, or engaged by, a component auditor firm outside the group auditor firm's network shall notify the component auditor firm about any | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | component auditor firm about any relationship or circumstance the individual knows, or has reason to believe, might create a threat to the individual's independence in the context of the group audit. | relationship or circumstance the individual knows, or has reason to believe, might create a threat to the individual's independence in the context of the group audit. | |
| 405.7A1 | Examples of relationships or circumstances involving the individual or any of the individual's immediate family members, as applicable, that are relevant to the individual's consideration when complying with paragraph R405.7 include: • A direct or material indirect financial interest in an entity that has control over the group audit client if the group audit client is material to that entity (see Section 510). • A loan or guarantee involving: (see Section 511) o An entity that is not a bank or similar institution unless the loan or guarantee is immaterial; or o A bank or similar institution unless the loan or guarantee is made under normal lending procedures, terms and conditions. • A business relationship that is significant or involves a material financial interest (see Section 520). • An immediate family member who is: (see Section 521) o A director or officer of an entity; or o An employee in a position to exert significant influence over the preparation of an entity's accounting records or financial statements. • The individual serving as, or having recently served as: (see Section 522 and Section 523) o A director or officer of an entity; or o An employee in a position to exert significant influence over the preparation of an entity's accounting records or financial statements. | Examples of relationships or circumstances involving the individual or any of the individual's immediate family members, as applicable, that are relevant to the individual's consideration when complying with paragraph R405.7 include:• A direct or material indirect financial interest in an entity that has control over the group audit client if the group audit client is material to that entity (see Section 510).• A loan or guarantee involving: (see Section 511) o An entity that is not a bank or similar institution unless the loan or guarantee is immaterial; or o A bank or similar institution unless the loan or guarantee is made under normal lending procedures, terms and conditions• A business relationship that is significant or involves a material financial interest (see Section 520). • An immediate family member who is: (see Section 521) o A director or officer of an entity; or o An employee in a position to exert significant influence over the preparation of an entity's accounting records or financial statements.• The individual serving as, or having recently served as: (see Section 522 and Section 523) A director or officer of an entity; or An employee in a position to exert significant influence over the preparation of an entity's accounting records or financial statements. | No Change |
| R405.8 | Upon receiving the notification as set out in paragraph R405.7, the component auditor firm shall evaluate and address any threats to independence created by the individual's relationship or circumstance. | Upon receiving the notification as set out in paragraph R405.7, the component auditor firm shall evaluate and address any threats to independence created by the individual's relationship or circumstance. | No Change |
| R405.9 | A group auditor firm shall be independent of the group audit client in accordance with the requirements of this Part that are applicable to a firm. | A group auditor firm shall be independent of the group audit client in accordance with the requirements of this Part that are applicable to a firm. | No Change |
| R405.10 | A network firm of the group auditor firm shall be independent of the group audit client in accordance with the requirements of this Part that are applicable to a network firm. | A network firm of the group auditor firm shall be independent of the group audit client in accordance with the requirements of this Part that are applicable to a network firm. | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| R405.11 | A component auditor firm outside the group auditor firm's network shall: (a) Be independent of the component audit client in accordance with the requirements set out in this Part that are applicable to a firm with respect to all audit clients; (b) Apply the relevant requirements in paragraphs R510.4(a), R510.7 and R510.9 with respect to financial interests in the entity on whose group financial statements the group auditor firm expresses an opinion; and (c) Apply the relevant requirements in Section 511 with respect to loans and guarantees involving the entity on whose group financial statements the group auditor firm expresses an opinion. | A component auditor firm outside the group auditor firm's network shall: (a) Be independent of the component audit client in accordance with the requirements set out in this Part that are applicable to a firm with respect to all audit clients; (b) Apply the relevant requirements in paragraphs R510.4(a), R510.7 and R510.9 with respect to financial interests in the entity on whose group financial statements the group auditor firm expresses an opinion; and (c) Apply the relevant requirements in Section 511 with respect to loans and guarantees involving the entity on whose group financial statements the group auditor firm expresses an opinion. | No Change |
| R405.12 | When a component auditor firm outside the group auditor firm's network knows, or has reason to believe, that a relationship or circumstance involving the group audit client, beyond those addressed in paragraph R405.11(b) and (c), is relevant to the evaluation of the component auditor firm's independence from the component audit client, the component auditor firm shall include that relationship or circumstance when identifying, evaluating and addressing threats to independence. | When a component auditor firm outside the group auditor firm's network knows, or has reason to believe, that a relationship or circumstance involving the group audit client, beyond those addressed in paragraph R405.11(b) and (c), is relevant to the evaluation of the component auditor firm's independence from the component audit client, the component auditor firm shall include that relationship or circumstance when identifying, evaluating and addressing threats to independence. | No Change |
| R405.13 | When a component auditor firm outside the group auditor firm's network knows, or has reason to believe, that a relationship or circumstance of a firm within the component auditor firm's network with the component audit client or the group audit client creates a threat to the component auditor firm's independence, the component auditor firm shall evaluate and address any such threat. | When a component auditor firm outside the group auditor firm's network knows, or has reason to believe, that a relationship or circumstance of a firm within the component auditor firm's network with the component audit client or the group audit client creates a threat to the component auditor firm's independence, the component auditor firm shall evaluate and address any such threat. | No Change |
| 405.14A1 | The references to the financial statements and the audit report in paragraphs R400.30 and 400.30 A1 mean the group financial statements and the audit report on the group financial statements, respectively, when applied in this section. | The references to the financial statements and the audit report in paragraphs R400.30 and 400.30 A1 mean the group financial statements and the audit report on the group financial statements, respectively, when applied in this section. | No Change |
| R405.15 | When the group audit client is not a public interest entity, a component auditor firm outside the group auditor firm's network shall be independent of the component audit client in accordance with the requirements set out in this Part that are applicable to audit clients that are not public interest entities for the purposes of the group audit. | When the group audit client is not a public interest entity, a component auditor firm outside the group auditor firm's network shall be independent of the component audit client in accordance with the requirements set out in this Part that are applicable to audit clients that are not public interest entities for the purposes of the group audit. | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 405.15A1 | Where a component auditor firm outside the group auditor firm's network also performs an audit engagement for a component audit client that is a public interest entity for reasons other than the group audit, for example, a statutory audit, the independence requirements that are relevant to audit clients that are public interest entities apply to that engagement. | Where a component auditor firm outside the group auditor firm's network also performs an audit engagement for a component audit client that is a public interest entity for reasons other than the group audit, for example, a statutory audit, the independence requirements that are relevant to audit clients that are public interest entities apply to that engagement. | No Change |
| R405.16 | Subject to paragraph R405.17, when the group audit client is a public interest entity, a component auditor firm outside the group auditor firm's network shall comply with the provisions in Section 600 that are applicable to public interest entities with respect to the provision of non-assurance services to the component audit client. | Subject to paragraph R405.17, when the group audit client is a public interest entity, a component auditor firm outside the group auditor firm's network shall comply with the provisions in Section 600 that are applicable to public interest entities with respect to the provision of non- assurance services to the component audit client. | No Change |
| 405.16A1 | Where the group audit client is a public interest entity, a component auditor firm outside the group auditor firm's network is prohibited from, for example: • Providing accounting and bookkeeping services to a component audit client that is not a public interest entity (see Subsection 601). • Designing the information technology system, or an aspect of it, for a component audit client that is not a public interest entity where such information technology system generates information for the component audit client's accounting records or financial statements (see Subsection 606). • Acting in an advocacy role for a component audit client that is not a public interest entity in resolving a dispute or litigation before a tribunal or court (see Subsection 608). | Where the group audit client is a public interest entity, a component auditor firm outside the group auditor firm's network is prohibited from, for example: • Providing accounting and bookkeeping services to a component audit client that is not a public interest entity (see Subsection 601). • Designing the information technology system, or an aspect of it, for a component audit client that is not a public interest entity where such information technology system generates information for the component audit client's accounting records or financial statements (see Subsection 606). • Acting in an advocacy role for a component audit client that is not a public interest entity in resolving a dispute or litigation before a tribunal or court (see Subsection 608). | No Change |
| 405.16A2 | The financial information on which a component auditor firm outside the group auditor firm's network performs audit procedures is relevant to the evaluation of the self-review threat that might be created by the component auditor firm's provision of a non-assurance service, and therefore the application of Section 600. For example, if the component auditor firm's audit procedures are limited to a specific item such as inventory, the results of any non-assurance service that form part of or affect the accounting records or the financial information related to the accounting for, or the internal controls over, inventory are relevant to the evaluation of the self-review threat. | The financial information on which a component auditor firm outside the group auditor firm's network performs audit procedures is relevant to the evaluation of the self-review threat that might be created by the component auditor firm's provision of a non-assurance service, and therefore the application of Section 600. For example, if the component auditor firm's audit procedures are limited to a specific item such as inventory, the results of any non-assurance service that form part of or affect the accounting records or the financial information related to the accounting for, or the internal controls over, inventory are relevant to the evaluation of the self-review threat. | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| R405.17 | As an exception to paragraph R405.16, a component auditor firm outside the group auditor firm's network may provide a non-assurance service that is not prohibited under Section 600 to a component audit client without communicating information about the proposed non-assurance service to those charged with governance of the group audit client or obtaining their concurrence regarding the provision of that service as addressed by paragraphs R600.22 to R600.25. | As an exception to paragraph R405.16, a component auditor firm outside the group auditor firm's network may provide a non-assurance service that is not prohibited under Section 600 to a component audit client without communicating information about the proposed non- assurance service to those charged with governance of the group audit client or obtaining their concurrence regarding the provision of that service as addressed by paragraphs R600.21 to R600.24. | No change, only difference is reference. |
| R405.18 | The group engagement partner shall determine whether an audit partner who performs audit work at a component for purposes of the group audit is a key audit partner for the group audit. If so, the group engagement partner shall: (a) Communicate that determination to that individual; and (b) Indicate: (i) In the case of all group audit clients, that the individual is subject to paragraph R411.4, and (ii) In the case of group audit clients that are public interest entities, that the individual is also subject to paragraphs R524.6, R540.5(c) and R540.21. | The group engagement partner shall determine whether an audit partner who performs audit work at a component for purposes of the group audit is a key audit partner for the group audit. If so, the group engagement partner shall: (a) Communicate that determination to that individual; and (b) Indicate: (i) In the case of all group audit clients, that the individual is subject to paragraph R411.4, and (ii) In the case of group audit clients that are public interest entities, that the individual is also subject to paragraphs R524.6, R540.5(c) and R540.21 | No Change |
| 405.18A1 | A key audit partner makes key decisions or judgments on significant matters with respect to the audit of the group financial statements on which the group auditor firm expresses an opinion in the group audit. | A key audit partner makes key decisions or judgments on significant matters with respect to the audit of the group financial statements on which the group auditor firm expresses an opinion in the group audit. | No Change |
| R405.19 | When an entity that is not a related entity becomes a component within the group audit client, the group auditor firm shall apply paragraphs R400.71 to R400.76. | When an entity that is not a related entity becomes a component within the group audit client, the group auditor firm shall apply paragraphs R400.71 to R400.76. | No Change |
| 405.20A1 | There might be circumstances in which the group auditor firm requests another firm to perform audit work as a component auditor firm during or after the period covered by the group financial statements, for example due to a client merger or acquisition. A threat to the component auditor firm's independence might be created by: (a) Financial or business relationships of the component auditor firm with the component audit client during or after the period covered by the group financial statements but before the component auditor firm agrees to perform the audit work; or (b) Previous services provided to the component audit client by the component auditor firm. | There might be circumstances in which the group auditor firm requests another firm to perform audit work as a component auditor firm during or after the period covered by the group financial statements, for example due to a client merger or acquisition. A threat to the component auditor firm's independence might be created by: (a) Financial or business relationships of the component auditor firm with the component audit client during or after the period covered by the group financial statements but before the component auditor firm agrees to perform the audit work; or (b) Previous services provided to the component audit client by the component auditor firm. | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 405.20A2 | Paragraphs 400.31 A1 to A3 set out application material that is applicable for a component auditor firm's assessment of threats to independence if a non-assurance service was provided by the component auditor firm to the component audit client during or after the period covered by the group financial statements, but before the component auditor firm begins to perform the audit work for the purposes of the group audit, and the service would not be permitted during the engagement period. | Paragraphs 400.31 A1 to A3 set out application material that is applicable for a component auditor firm's assessment of threats to independence if a non-assurance service was provided by the component auditor firm to the component audit client during or after the period covered by the group financial statements, but before the component auditor firm begins to perform the audit work for the purposes of the group audit, and the service would not be permitted during the engagement period. | No Change |
| 405.20A3 | Paragraph 400.31 A4 sets out application material that is applicable for a component auditor firm's assessment of threats to independence if a non-assurance service was provided by the component auditor firm to the component audit client prior to the period covered by the group financial statements. | Paragraph 400.31 A4 sets out application material that is applicable for a component auditor firm's assessment of threats to independence if a non-assurance service was provided by the component auditor firm to the component audit client prior to the period covered by the group financial statements | No Change |
| 405.21A1 | Paragraphs R400.32 and 400.32 A1 are applicable when a component auditor firm agrees to perform audit work for group audit purposes in relation to a group audit client that is a public interest entity if the component auditor firm has previously provided a non-assurance service to the component audit client. | Paragraphs R400.32 and 400.32 A1 are applicable when a component auditor firm agrees to perform audit work for group audit purposes in relation to a group audit client that is a public interest entity if the component auditor firm has previously provided a non-assurance service to the component audit client. | No Change |
| 405.21A2 | Paragraphs R600.26 and 600.26 A1 are applicable in relation to a non-assurance service provided, either currently or previously, by a component auditor firm to a component audit client when the group audit client subsequently becomes a public interest entity. | Paragraphs R600.25 and 600.25 A1 are applicable in relation to a non-assurance service provided, either currently or previously, by a component auditor firm to a component audit client when the group audit client subsequently becomes a public interest entity. | No change, only difference is reference. |
| 405.22A1 | A breach of a provision of this section might occur despite a component auditor firm having a system of quality management designed to address independence requirements. Paragraphs R405.23 to R405.29 are relevant to a group auditor firm's determination as to whether it would be able to use a component auditor firm's work if a breach has occurred at the component auditor firm. | A breach of a provision of this section might occur despite a component auditor firm having a system of quality management designed to address independence requirements. Paragraphs R405.23 to R405.29 are relevant to a group auditor firm's determination as to whether it would be able to use a component auditor firm's work if a breach has occurred at the component auditor firm. | No Change |
| 405.22A2 | In the case of a breach at a component auditor firm within the group auditor firm's network, paragraphs R400.80 to R400.89 also apply to the group auditor firm in relation to the group audit, as applicable. | A breach of a provision of this section might occur despite a component auditor firm having a system of quality management designed to address independence requirements. Paragraphs R405.23 to R405.29 are relevant to a group auditor firm's | Slight difference in breach provisions |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | | determination as to whether it would be able to use a component auditor firm's work if a breach has occurred at the component auditor firm. | |
| R405.23 | If a component auditor firm concludes that a breach of this section has occurred, the component auditor firm shall: (a) End, suspend or eliminate the interest or relationship that created the breach and address the consequences of the breach; (b) Evaluate the significance of the breach and its impact on the component auditor firm's objectivity and ability to perform audit work for the purposes of the group audit; (c) Depending on the significance of the breach, determine whether it is possible to take action that satisfactorily addresses the consequences of the breach and whether such action can be taken and is appropriate in the circumstances; and (d) Promptly communicate in writing the breach to the group engagement partner, including the component auditor firm's assessment of the significance of the breach and any actions proposed or taken to address the consequences of the breach. | If a component auditor firm concludes that a breach of this section has occurred, the component auditor firm shall: (a) End, suspend or eliminate the interest or relationship that created the breach and address the consequences of the breach; (b) Evaluate the significance of the breach and its impact on the component auditor firm's objectivity and ability to perform audit work for the purposes of the group audit; (c) Depending on the significance of the breach, determine whether it is possible to take action that satisfactorily addresses the consequences of the breach and whether such action can be taken and is appropriate in the circumstances; and (d) Promptly communicate in writing the breach to the group engagement partner, including the component auditor firm's assessment of the significance of the breach and any actions proposed or taken to address the consequences of the breach. | No Change |
| 405.23A1 | Paragraphs 400.80 A2 and A3 set out application material relevant to the component auditor firm's evaluation of the significance and impact of the breach on the component auditor firm's objectivity and ability to issue an opinion or conclusion on the audit work performed at the component for purposes of the group audit, and its consideration of any actions that might be taken to address the consequences of the breach satisfactorily. | Paragraphs 400.80 A2 and A3 set out application material relevant to the component auditor firm's evaluation of the significance and impact of the breach on the component auditor firm's objectivity and ability to issue an opinion or conclusion on the audit work performed at the component for purposes of the group audit, and its consideration of any actions that might be taken to address the consequences of the breach satisfactorily. | No Change |
| R405.24 | Upon receipt of the component auditor firm's communication of the breach, the group engagement partner shall: (a) Review the component auditor firm's assessment of the significance of the breach and its impact on the component auditor firm's objectivity, and any action that can be or has been taken to address the consequences of the breach; (b) Evaluate the group auditor firm's ability to use the work of the component auditor firm for the purposes of the group audit; and (c) Determine the need for any further action. | Upon receipt of the component auditor firm's communication of the breach, the group engagement partner shall: (a) Review the component auditor firm's assessment of the significance of the breach and its impact on the component auditor firm's objectivity, and any action that can be or has been taken to address the consequences of the breach; (b) Evaluate the group auditor firm's ability to use the work of the component auditor firm for the purposes of the group audit; and (c) Determine the need for any further action. | No Change |
| R405.25 | In applying paragraph R405.24, the group engagement partner shall exercise | In applying paragraph R405.24, the group engagement partner shall exercise professional | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | professional judgment and take into account whether a reasonable and informed third party would be likely to conclude that the component auditor firm's objectivity is compromised, and therefore, the group auditor firm is unable to use the work of the component auditor firm for the purposes of the group audit. | judgment and take into account whether a reasonable and informed third party would be likely to conclude that the component auditor firm's objectivity is compromised, and therefore, the group auditor firm is unable to use the work of the component auditor firm for the purposes of the group audit. | |
| 405.25A1 | If the group engagement partner determines that the consequences of the breach have been satisfactorily addressed by the component auditor firm and do not compromise the component auditor firm's objectivity, the group auditor firm may continue to use the work of the component auditor firm for the group audit. In certain circumstances, the group engagement partner might determine that additional actions are needed to satisfactorily address the breach in order to use the component auditor firm's work. Examples of such action include the group auditor firm performing specific procedures on the areas impacted by the breach or requesting the component auditor firm to perform appropriate remedial work on the affected areas. | If the group engagement partner determines that the consequences of the breach have been satisfactorily addressed by the component auditor firm and does not compromise the component auditor firm's objectivity, the group auditor firm may continue to use the work of the component auditor firm for the group audit. In certain circumstances, the group engagement partner might determine that additional actions are needed to satisfactorily address the breach in order to use the component auditor firm's work. Examples of such action include the group auditor firm performing specific procedures on the areas impacted by the breach or requesting the component auditor firm to perform appropriate remedial work on the affected areas. | No Change |
| 405.25A2 | ISA 600 (Revised) sets out that if there has been a breach by a component auditor and the breach has not been satisfactorily addressed, the group auditor cannot use the work of that component auditor. In those circumstances, the group engagement partner might find other means to obtain the necessary audit evidence on the component audit client's financial information. Examples of such means include the group auditor firm performing the necessary audit work on the component audit client's financial information or requesting another component auditor firm to perform such audit work. | ISA 600 (Revised) sets out that if there has been a breach by a component auditor and the breach has not been satisfactorily addressed, the group auditor cannot use the work of that component auditor. In those circumstances, the group engagement partner might find other means to obtain the necessary audit evidence on the component audit client's financial information. Examples of such means include the group auditor firm performing the necessary audit work on the component audit client's financial information or requesting another component auditor firm to perform such audit work. | No Change |
| 405.26A1 | With respect to breaches by a component auditor firm within the group auditor firm's network, paragraph R400.84 applies | With respect to breaches by a component auditor firm within the group auditor firm's network, paragraph h R400.84 applies. | No Change |
| R405.27 | With respect to breaches by a component auditor firm outside the group auditor firm's network, the group auditor firm shall discuss with those charged with governance of the group audit client: (a) The component auditor firm's assessment of the significance and impact of the breach on the component | With respect to breaches by a component auditor firm outside the group auditor firm's network, the group auditor firm shall discuss with those charged with governance of the group audit client: (a) The component auditor firm's assessment of the significance and impact of the breach on the component auditor firm's objectivity, including the | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | auditor firm's objectivity, including the nature and duration of the breach, and the action that can be or has been taken; and (b) Whether: (i) The action will satisfactorily address, or has addressed, the consequences of the breach; or (ii) The group auditor firm will use other means to obtain the necessary audit evidence on the component audit client's financial information. Such discussion shall take place as soon as possible unless an alternative timing is specified by those charged with governance for reporting less significant breaches. | nature and duration of the breach, and the action that can be or has been taken; and \(b) Whether: (i) The action will satisfactorily address, or has addressed, the consequences of the breach; or (ii) The group auditor firm will use other means to obtain the necessary audit evidence on the component audit client's financial information. Such discussion shall take place as soon as possible unless an alternative timing is specified by those charged with governance for reporting less significant breaches. | |
| R405.28 | The group auditor firm shall communicate in writing to those charged with governance of the group audit client all matters discussed in accordance with paragraph R405.27 and obtain the concurrence of those charged with governance that the action can be or has been taken to satisfactorily address the consequences of the breach. | The group auditor firm shall communicate in writing to those charged with governance of the group audit client all matters discussed in accordance with paragraph R405.27 and obtain the concurrence of those charged with governance that the action can be or has been taken to satisfactorily address the consequences of the breach. | No Change |
| R405.29 | If those charged with governance do not concur that the action that can be or has been taken would satisfactorily address the consequences of the breach at the component auditor firm, the group auditor firm shall not use the work performed by the component auditor firm for the purposes of the group audit. | If those charged with governance do not concur that the action that can be or has been taken would satisfactorily address the consequences of the breach at the component auditor firm, the group auditor firm shall not use the work performed by the component auditor firm for the purposes of the group audit. | No Change |
| 410.1 | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | No Change |
| 410.2 | Section 330 sets out application material relevant to applying the conceptual framework where the level and nature of fee and other remuneration arrangements might create a self-interest threat to compliance with one or more of the fundamental principles. This section sets out specific requirements and application material relevant to applying the conceptual framework to identify, evaluate and address threats to independence arising from fees charged to audit clients. | Section 330 sets out application material relevant to applying the conceptual framework where the level and nature of fee and other remuneration arrangements might create a self-interest threat to compliance with one or more of the fundamental principles. This section sets out specific requirements and application material relevant to applying the conceptual framework to identify, evaluate and address threats to independence arising from fees charged to audit clients. | No Change |
| 410.3A1 | Fees for professional services are usually negotiated with and paid by an audit client and might create threats to independence. | Fees for professional services are usually negotiated with and paid by an audit client and might create threats to independence. This practice is | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| | This practice is generally recognized and accepted by intended users of financial statements. | generally recognized and accepted by intended users of financial statements. | |
| 410.3A2 | When the audit client is a public interest entity, stakeholders have heightened expectations regarding the firm's independence. As transparency can serve to better inform the views and decisions of those charged with governance and a wide range of stakeholders, this section provides for disclosure of fee-related information to both those charged with governance and stakeholders more generally for audit clients that are public interest entities. | When the audit client is a public interest entity, stakeholders have heightened expectations regarding the firm's independence. As transparency can serve to better inform the views and decisions of those charged with governance and a wide range of stakeholders, this section provides for disclosure of fee-related information to both those charged with governance and stakeholders more generally for audit clients that are public interest entities. | No Change |
| 410.3A3 | For the purposes of this section, audit fees comprise fees or other types of remuneration for an audit or review of financial statements. Where reference is made to the fee for the audit of the financial statements, this does not include any fee for an audit of special purpose financial statements or a review of financial statements. (Ref: Para. R410.23(a)) | For the purposes of this section, audit fees comprise fees or other types of remuneration for an audit or review of financial statements. Where reference is made to the fee for the audit of the financial statements, this does not include any fee for an audit of special purpose financial statements or a review of financial statements. (Ref: Para. R410.23(a), 410.25 A1 and R410.31(a) | No change, only difference is reference. |
| 410.4A1 | When fees are negotiated with and paid by an audit client, this creates a self-interest threat and might create an intimidation threat to independence. | When fees are negotiated with and paid by an audit client, this creates a self-interest threat and might create an intimidation threat to independence. | No Change |
| 410.4A2 | The application of the conceptual framework requires that before a firm or network firm accepts an audit or any other engagement for an audit client, the firm determines whether the threats to independence created by the fees proposed to the client are at an acceptable level. The application of the conceptual framework also requires the firm to re-evaluate such threats when facts and circumstances change during the engagement period for the audit. | The application of the conceptual framework requires that before a firm or network firm accepts an audit or any other engagement for an audit client, the firm determines whether the threats to independence created by the fees proposed to the client are at an acceptable level. The application of the conceptual framework also requires the firm to re- evaluate such threats when facts and circumstances change during the engagement period for the audit. | No Change |
| 410.4A3 | Factors that are relevant in evaluating the level of threats created when fees for an audit or any other engagement are paid by the audit client include: • The level of the fees and the extent to which they have regard to the resources required, taking into account the firm's commercial and market priorities. • Any linkage between fees for the audit and those for services other than audit and the relative size of both elements. • The extent of any dependency between the level of the fee for, and the outcome of, the | Factors that are relevant in evaluating the level of threats created when fees for an audit or any other engagement are paid by the audit client include: • The level of the fees and the extent to which they have regard to the resources required, taking into account the firm's commercial and market priorities. • Any linkage between fees for the audit and those for services other than audit and the relative size of both elements. • The extent of any dependency between the level of the fee for, and the outcome of, the service. • Whether the fee is for services to be provided by the firm or a network firm. • The level of | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | service. • Whether the fee is for services to be provided by the firm or a network firm. • The level of the fee in the context of the service to be provided by the firm or a network firm. • The operating structure and the compensation arrangements of the firm and network firms. • The significance of the client, or a third party referring the client, to the firm, network firm, partner or office. • The nature of the client, for example whether the client is a public interest entity. • The relationship of the client to the related entities to which the services other than audit are provided, for example when the related entity is a sister entity. • The involvement of those charged with governance in appointing the auditor and agreeing fees, and the apparent emphasis they and client management place on the quality of the audit and the overall level of the fees. • Whether the level of the fee is set by an independent third party, such as a regulatory body. • Whether the quality of the firm's audit work is subject to the review of an independent third party, such as an oversight body. | the fee in the context of the service to be provided by the firm or a network firm. • The operating structure and the compensation arrangements of the firm and network firms. • The significance of the client, or a third party referring the client, to the firm, network firm, partner or office. • The nature of the client, for example whether the client is a public interest entity. • The relationship of the client to the related entities to which the services other than audit are provided, for example when the related entity is a sister entity. • The involvement of those charged with governance in appointing the auditor and agreeing fees, and the apparent emphasis they and client management place on the quality of the audit and the overall level of the fees. • Whether the level of the fee is set by an independent third party, such as a regulatory body. • Whether the quality of the firm's audit work is subject to the review of an independent third party, such as an oversight body. | |
| 410.4A4 | The conditions, policies and procedures described in paragraph 120.15 A3 (particularly a system of quality management designed, implemented and operated by the firm in accordance with quality management standards issued by the IAASB) might also impact the evaluation of whether the threats to independence are at an acceptable level. | The conditions, policies and procedures described in paragraph 120.15 A3 (particularly a system of quality management designed, implemented and operated by the firm in accordance with quality management standards issued by the IAASB) might also impact the evaluation of whether the threats to independence are at an acceptable level. | No Change |
| 410.4A5 | The requirements and application material that follow identify circumstances which might need to be further evaluated when determining whether the threats are at an acceptable level. For those circumstances, application material includes examples of additional factors that might be relevant in evaluating the threats. | The requirements and application material that follow identify circumstances which might need to be further evaluated when determining whether the threats are at an acceptable level. For those circumstances, application material includes examples of additional factors that might be relevant in evaluating the threats. | No Change |
| 410.5A1 | Determining the fees to be charged to an audit client, whether for audit or other services, is a business decision of the firm taking into account the facts and circumstances relevant to that specific engagement, including the requirements of technical and professional standards. | Determining the fees to be charged to an audit client, whether for audit or other services, is a business decision of the firm taking into account the facts and circumstances relevant to that specific engagement, including the requirements of technical and professional standards. | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 410.5A2 | Factors that are relevant in evaluating the level of self-interest and intimidation threats created by the level of the audit fee paid by the audit client include: • The firm's commercial rationale for the audit fee. • Whether undue pressure has been, or is being, applied by the client to reduce the audit fee. | Factors that are relevant in evaluating the level of self-interest and intimidation threats created by the level of the audit fee paid by the audit client include: • The firm's commercial rationale for the audit fee. • Whether undue pressure has been, or is being, applied by the client to reduce the audit fee. | No Change |
| 410.5A3 | Examples of actions that might be safeguards to address such threats include: • Having an appropriate reviewer who does not take part in the audit engagement assess the reasonableness of the fee proposed, having regard to the scope and complexity of the engagement. • Having an appropriate reviewer who did not take part in the audit engagement review the work performed. | Examples of actions that might be safeguards to address such threats include: • Having an appropriate reviewer who does not take part in the audit engagement assess the reasonableness of the fee proposed, having regard to the scope and complexity of the engagement. • Having an appropriate reviewer who did not take part in the audit engagement review the work performed. | No Change |
| R410.6 | Subject to paragraph R410.7, a firm shall not allow the audit fee to be influenced by the provision of services other than audit to an audit client by the firm or a network firm. | Subject to paragraph R410.7, a firm shall not allow the audit fee to be influenced by the provision of services other than audit to an audit client by the firm or a network firm. | No Change |
| 410.6A1 | The audit fee ordinarily reflects a combination of matters, such as those identified in paragraph 410.23 A1. However, the provision of other services to an audit client is not an appropriate consideration in determining the audit fee. | The audit fee ordinarily reflects a combination of matters, such as those identified in paragraph 410.23 A1. However, the provision of other services to an audit client is not an appropriate consideration in determining the audit fee. | No Change |
| R410.7 | As an exception to paragraph R410.6, when determining the audit fee, the firm may take into consideration the cost savings achieved as a result of experience derived from the provision of services other than audit to an audit client. | As an exception to paragraph R410.6, when determining the audit fee, the firm may take into consideration the cost savings achieved as a result of experience derived from the provision of services other than audit to an audit client. | No Change |
| 410.8A1 | Contingent fees are fees calculated on a predetermined basis relating to the outcome of a transaction or the result of the services performed. A contingent fee charged through an intermediary is an example of an indirect contingent fee. In this section, a fee is not regarded as being contingent if established by a court or other public authority. | Contingent fees are fees calculated on a predetermined basis relating to the outcome of a transaction or the result of the services performed. A contingent fee charged through an intermediary is an example of an indirect contingent fee. In this section, a fee is not regarded as being contingent if established by a court or other public authority. | No Change |
| R410.9 | A firm shall not charge directly or indirectly a contingent fee for an audit engagement. | A firm shall not charge directly or indirectly a contingent fee for an audit engagement. | No Change |
| R410.10 | A firm or network firm shall not charge directly or indirectly a contingent fee for a | A firm or network firm shall not charge directly or indirectly a contingent fee for a non-assurance | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | non-assurance service provided to an audit client, if: (a) The fee is charged by the firm expressing the opinion on the financial statements and the fee is material or expected to be material to that firm; (b) The fee is charged by a network firm that participates in a significant part of the audit and the fee is material or expected to be material to that firm; or (c) The outcome of the non-assurance service, and therefore the amount of the fee, is dependent on a future or contemporary judgment related to the audit of a material amount in the financial statements. | service provided to an audit client, if: (a) The fee is charged by the firm expressing the opinion on the financial statements and the fee is material or expected to be material to that firm; (b) The fee is charged by a network firm that participates in a significant part of the audit and the fee is material or expected to be material to that firm; or (c) The outcome of the non-assurance service, and therefore the amount of the fee, is dependent on a future or contemporary judgment related to the audit of a material amount in the financial statements. | |
| 410.10A1 | Paragraphs R410.9 and R410.10 preclude a firm or a network firm from entering into certain contingent fee arrangements with an audit client. Even if a contingent fee arrangement is not precluded when providing a non-assurance service to an audit client, it might still impact the level of the self-interest threat. | Paragraphs R410.9 and R410.10 preclude a firm or a network firm from entering into certain contingent fee arrangements with an audit client. Even if a contingent fee arrangement is not precluded when providing a non-assurance service to an audit client, it might still impact the level of the self-interest threat. | No Change |
| 410.10A2 | Factors that are relevant in evaluating the level of such a threat include: • The range of possible fee amounts. • Whether an appropriate authority determines the outcome on which the contingent fee depends. • Disclosure to intended users of the work performed by the firm and the basis of remuneration. • The nature of the service. • The effect of the event or transaction on the financial statements. | Factors that are relevant in evaluating the level of such a threat include: • The range of possible fee amounts. • Whether an appropriate authority determines the outcome on which the contingent fee depends. • Disclosure to intended users of the work performed by the firm and the basis of remuneration. • The nature of the service. • The effect of the event or transaction on the financial statements. | No Change |
| 410.10A3 | Examples of actions that might be safeguards to address such a self-interest threat include: • Having an appropriate reviewer who was not involved in performing the non-assurance service review the work performed. • Obtaining an advance written agreement with the client on the basis of remuneration. | Examples of actions that might be safeguards to address such a self- interest threat include: • Having an appropriate reviewer who was not involved in performing the non-assurance service review the work performed. • Obtaining an advance written agreement with the client on the basis of remuneration. | [The Contingent Fees is not allowed in the Chartered Accountants Ordinance, 1961 (clause 9 of Schedule I of Part I). Relevant provision is reproduced below: “A Chartered Accountant in practice shall be deemed to be guilty of professional misconduct, if he- (9) charges or offers to charge, |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | | | accepts or offers to accept in respect of any professional employment fees which are based on a percentage of profits or which are contingent upon the findings or results of such employment except in cases which are permitted under any law for the time being in force or by an order of the Government;"]. |
| 410.11A1 | The level of the self-interest threat might be impacted when a large proportion of fees charged by the firm or network firms to an audit client is generated by providing services other than audit to the client, due to concerns about the potential loss of either the audit engagement or other services. Such circumstances might also create an intimidation threat. A further consideration is a perception that the firm or network firm focuses on the non- audit relationship, which might create a threat to the auditor's independence. | The level of the self-interest threat might be impacted when a large proportion of fees charged by the firm or network firms to an audit client is generated by providing services other than audit to the client, due to concerns about the potential loss of either the audit engagement or other services. Such circumstances might also create an intimidation threat. A further consideration is a perception that the firm or network firm focuses on the non-audit relationship, which might create a threat to the auditor's independence. | No Change |
| 410.11A2 | Factors that are relevant in evaluating the level of such threats include: • The ratio of fees for services other than audit to the audit fee. • The length of time during which a large proportion of fees for services other than audit to the audit fee has existed. • The nature, scope and purposes of the services other than audit, including: Whether they are recurring services. o Whether law or regulation mandates the services to o be performed by the firm. | Factors that are relevant in evaluating the level of such threats include: • The ratio of fees for services other than audit to the audit fee. • The length of time during which a large proportion of fees for services other than audit to the audit fee has existed. • The nature, scope and purposes of the services other than audit, including: o Whether they are recurring services. o Whether law or regulation mandates the services to be performed by the firm. | No Change |
| 410.11A3 | Examples of actions that might be safeguards to address such self-interest or intimidation threats include: • Having an appropriate reviewer who was not involved in the audit or the service other than audit review the relevant audit work. • Reducing the extent of services other than audit provided to the audit client. | Examples of actions that might be safeguards to address such self- interest or intimidation threats include: • Having an appropriate reviewer who was not involved in the audit or the service other than audit review the relevant audit work. • Reducing the extent of services other than audit provided to the audit client. | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 410.12A1 | The level of the self-interest threat might be impacted if fees payable by an audit client for the audit or services other than audit are overdue during the period of the audit engagement. | The level of the self-interest threat might be impacted if fees payable by an audit client for the audit or services other than audit are overdue during the period of the audit engagement. | No Change |
| 410.12A2 | It is generally expected that the firm will obtain payment of such fees before the audit report is issued. | It is generally expected that the firm will obtain payment of such fees before the audit report is issued. | No Change |
| 410.12A3 | Factors that are relevant in evaluating the level of such a self- interest threat include: • The significance of the overdue fees to the firm. • The length of time the fees have been overdue. • The firm's assessment of the ability and willingness of the audit client to pay the overdue fees. | Factors that are relevant in evaluating the level of such a self-interest threat include: • The significance of the overdue fees to the firm. • The length of time the fees have been overdue. • The firm's assessment of the ability and willingness of the audit client to pay the overdue fees. | No Change |
| 410.12A4 | Examples of actions that might be safeguards to address such a threat include: • Obtaining partial payment of overdue fees. • Having an appropriate reviewer who did not take part in the audit engagement review the audit work. | Examples of actions that might be safeguards to address such a threat include: • Obtaining partial payment of overdue fees. • Having an appropriate reviewer who did not take part in the audit engagement review the audit work. | No Change |
| R410.13 | When a significant part of the fees due from an audit client remains unpaid for a long time, the firm shall determine: (a) Whether the overdue fees might be equivalent to a loan to the client, in which case the requirements and application material set out in section 511 are applicable; and (b) Whether it is appropriate for the firm to be re-appointed or continue the audit engagement. | When a significant part of the fees due from an audit client remains unpaid for a long time, the firm shall determine: (a) Whether the overdue fees might be equivalent to a loan to the client, in which case the requirements and application material set out in section 511 are applicable; and (b) Whether it is appropriate for the firm to be re-appointed or continue the audit engagement. | No Change |
| 410.14A1 | When the total fees generated from an audit client by the firm expressing the audit opinion represent a large proportion of the total fees of that firm, the dependence on, and concern about the potential loss of, fees from audit and other services from that client impact the level of the self-interest threat and create an intimidation threat. | When the total fees generated from an audit client by the firm expressing the audit opinion represent a large proportion of the total fees of that firm, the dependence on, and concern about the potential loss of, fees from audit and other services from that client impact the level of the self- interest threat and create an intimidation threat. | No Change |
| 410.14A2 | In calculating the total fees of the firm, the firm might use financial information available from the previous financial year and estimate the proportion based on that information if appropriate. | In calculating the total fees of the firm, the firm might use financial information available from the previous financial year and estimate the proportion based on that information if appropriate. | No Change |
| 410.14A3 | Factors that are relevant in evaluating the level of such self- interest and intimidation threats include: • The operating structure of | Factors that are relevant in evaluating the level of such self-interest and intimidation threats include: • The operating structure of the firm. • Whether the | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | the firm. • Whether the firm is expected to diversify such that any dependence on the audit client is reduced. | firm is expected to diversify such that any dependence on the audit client is reduced. | |
| 410.14A4 | Examples of actions that might be safeguards to address such threats include: • Having an appropriate reviewer who is not a member of the firm review the audit work. • Reducing the extent of services other than audit provided to the audit client. • Increasing the client base of the firm to reduce dependence on the client. • Increasing the extent of services provided to other clients. | Examples of actions that might be safeguards to address such threats include: • Having an appropriate reviewer who is not a member of the firm review the audit work. • Reducing the extent of services other than audit provided to the audit client. • Increasing the client base of the firm to reduce dependence on the client. • Increasing the extent of services provided to other clients. | No Change |
| 410.14A5 | A self-interest or intimidation threat is created when the fees generated by a firm from an audit client represent a large proportion of the revenue of one partner or one office of the firm. | A self-interest or intimidation threat is created when the fees generated by a firm from an audit client represent a large proportion of the revenue of one partner or one office of the firm. | No Change |
| 410.14A6 | Factors that are relevant in evaluating the level of such threats include: • The qualitative and quantitative significance of the audit client to the partner or office. • The extent to which the compensation of the partner, or the partners in the office, is dependent upon the fees generated from the client. | Factors that are relevant in evaluating the level of such threats include: • The qualitative and quantitative significance of the audit client to the partner or office. • The extent to which the compensation of the partner, or the partners in the office, is dependent upon the fees generated from the client. | No Change |
| 410.14A7 | Examples of actions that might be safeguards to address such self-interest or intimidation threats include: • Having an appropriate reviewer who was not involved in the audit engagement review the audit work. • Ensuring that the compensation of the partner is not significantly influenced by the fees generated from the client. • Reducing the extent of services other than audit provided by the partner or office to the audit client. • Increasing the client base of the partner or the office to reduce dependence on the client. • Increasing the extent of services provided by the partner or the office to other clients. | Examples of actions that might be safeguards to address such self- interest or intimidation threats include: • Having an appropriate reviewer who was not involved in the audit engagement review the audit work. • Ensuring that the compensation of the partner is not significantly influenced by the fees generated from the client. • Reducing the extent of services other than audit provided by the partner or office to the audit client. • Increasing the client base of the partner or the office to reduce dependence on the client. • Increasing the extent of services provided by the partner or the office to other clients. | No Change |
| R410.15 | When for each of five consecutive years total fees from an audit client that is not a public interest entity represent, or are likely to represent, more than 30% of the total fees received by the firm, the firm shall determine whether either of the following actions might be a safeguard to reduce the threats created to an acceptable level, and if so, apply it: (a) Prior to the audit opinion being issued on the | When for each of five consecutive years total fees from an audit client that is not a public interest entity represent, or are likely to represent, more than 30% of the total fees received by the firm, the firm shall determine whether either of the following actions might be a safeguard to reduce the threats created to an acceptable level, and if so, apply it: (a) Prior to the audit opinion being issued on the fifth year's financial statements, have a chartered accountant, | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | fifth year's financial statements, have a professional accountant, who is not a member of the firm expressing the opinion on the financial statements, review the fifth year's audit work; or (b) After the audit opinion on the fifth year's financial statements has been issued, and before the audit opinion is issued on the sixth year's financial statements, have a professional accountant, who is not a member of the firm expressing the opinion on the financial statements, or a professional body review the fifth year's audit work. | who is not a member of the firm expressing the opinion on the financial statements, review the fifth year's audit work; or (b) After the audit opinion on the fifth year's financial statements has been issued, and before the audit opinion is issued on the sixth year's financial statements, have a chartered accountant, who is not a member of the firm expressing the opinion on the financial statements, or a professional body review the fifth year's audit work. | |
| R410.16 | If the total fees described in paragraph R410.15 continue to exceed 30%, the firm shall each year determine whether either of the actions in paragraph R410.15 applied to the relevant year's engagement might be a safeguard to address the threats created by the total fees received by the firm from the client, and if so, apply it. | If the total fees described in paragraph R410.15 continue to exceed 30%, the firm shall each year determine whether either of the actions in paragraph R410.15 applied to the relevant year's engagement might be a safeguard to address the threats created by the total fees received by the firm from the client, and if so, apply it. | No Change |
| R410.17 | When two or more firms are engaged to conduct an audit of the client's financial statements, the involvement of the other firm in the audit may be regarded each year as an action equivalent to that in paragraph R410.15 (a), if: (a) The circumstances addressed by paragraph R410.15 apply to only one of the firms expressing the audit opinion; and (b) Each firm performs sufficient work to take full individual responsibility for the audit opinion. | When two or more firms are engaged to conduct an audit of the client's financial statements, the involvement of the other firm in the audit may be regarded each year as an action equivalent to that in paragraph R410.15 (a), if: (a) The circumstances addressed by paragraph R410.15 apply to only one of the firms expressing the audit opinion; and (b) Each firm performs sufficient work to take full individual responsibility for the audit opinion. | No Change |
| R410.18 | When for each of two consecutive years the total fees from an audit client that is a public interest entity represent, or are likely to represent, more than 15% of the total fees received by the firm, the firm shall determine whether, prior to the audit opinion being issued on the second year's financial statements, a review, consistent with the objective of an engagement quality review, performed by a professional accountant who is not a member of the firm expressing the opinion on the financial statements ("pre-issuance review") might be a safeguard to reduce the threats to an acceptable level, and if so, apply it. | When for each of two consecutive years the total fees from an audit client that is a public interest entity represent, or are likely to represent, more than 15% of the total fees received by the firm, the firm shall determine whether, prior to the audit opinion being issued on the second year's financial statements, a review, consistent with the objective of an engagement quality review, performed by a chartered accountant who is not a member of the firm expressing the opinion on the financial statements ("pre-issuance review") might be a safeguard to reduce the threats to an acceptable level, and if so, apply it. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| R410.19 | When two or more firms are engaged to conduct an audit of the client's financial statements, the involvement of the other firm in the audit may be regarded each year as | When two or more firms are engaged to conduct an audit of the client's financial statements, the involvement of the other firm in the audit may be regarded each year as an action equivalent to that | Terminology differs: 'chartered accountant' vs |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | an action equivalent to that in paragraph R410.18, if: (a) The circumstances addressed by paragraph R410.18 apply to only one of the firms expressing the audit opinion; and (b) Each firm performs sufficient work to take full individual responsibility for the audit opinion. | in paragraph R410.18, if: (a) The circumstances addressed by paragraph R410.18, if: (a) The circumstances addressed by paragraph R410.18 apply to only one of the firms expressing the audit opinion; and (b) Each firm performs sufficient work to take full individual responsibility for the audit opinion. | 'professional accountant'" |
| R410.20 | Subject to paragraph R410.21, if the circumstances described in paragraph R410.18 continue for five consecutive years, the firm shall cease to be the auditor after the audit opinion for the fifth year is issued. | Subject to paragraph R410.21, if the circumstances described in paragraph R410.18 continue for five consecutive years, the firm shall cease to be the auditor after the audit opinion for the fifth year is issued. | No Change |
| R410.21 | As an exception to paragraph R410.20, the firm may continue to be the auditor after five consecutive years if there is a compelling reason to do so having regard to the public interest, provided that: (a) The firm consults with a regulatory or professional body in the relevant jurisdiction and it concurs that having the firm continue as the auditor would be in the public interest; and (b) Before the audit opinion on the sixth and any subsequent year's financial statements is issued, the firm engages a professional accountant, who is not a member of the firm expressing the opinion on the financial statements, to perform a pre-issuance review. | As an exception to paragraph R410.20, the firm may continue to be the auditor after five consecutive years if there is a compelling reason to do so having regard to the public interest, provided that: (a) The firm consults with a regulatory or professional body in the relevant jurisdiction and it concurs that having the firm continue as the auditor would be in the public interest; and (b) Before the audit opinion on the sixth and any subsequent year's financial statements is issued, the firm engages a chartered accountant, who is not a member of the firm expressing the opinion on the financial statements, to perform a pre-issuance review. | Terminology differs: 'chartered accountant' vs 'professional accountant'" |
| 410.21A1 | A factor which might give rise to a compelling reason is the lack of viable alternative firms to carry out the audit engagement, having regard to the nature and location of the client's business. | A factor which might give rise to a compelling reason is the lack of viable alternative firms to carry out the audit engagement, having regard to the nature and location of the client's business. | No Change |
| 410.22A1 | Communication by the firm of fee-related information (for both audit and services other than audit) with those charged with governance assists in their assessment of the firm's independence. Effective communication in this regard also allows for a two-way open exchange of views and information about, for example, the expectations that those charged with governance might have regarding the scope and extent of audit work and impact on the audit fee. | Communication by the firm of fee-related information (for both audit and services other than audit) with those charged with governance assists in their assessment of the firm's independence. Effective communication in this regard also allows for a two-way open exchange of views and information about, for example, the expectations that those charged with governance might have regarding the scope and extent of audit work and impact on the audit fee. | No Change |
| R410.23 | Subject to paragraph R410.24, the firm shall communicate in a timely manner with those charged with governance of an audit client that is a public interest entity: (a) Fees paid or payable to the firm or network firms for the | Subject to paragraph R410.24, the firm shall communicate in a timely manner with those charged with governance of an audit client that is a public interest entity: (a) Fees paid or payable to the firm or network firms for the audit of the financial statements | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | audit of the financial statements on which the firm expresses an opinion; and (b) Whether the threats created by the level of those fees are at an acceptable level, and if not, any actions the firm has taken or proposes to take to reduce such threats to an acceptable level. | on which the firm expresses an opinion; and (b) Whether the threats created by the level of those fees are at an acceptable level, and if not, any actions the firm has taken or proposes to take to reduce such threats to an acceptable level. | |
| 410.23A1 | The objective of such communication is to provide the background and context to the fees for the audit of the financial statements on which the firm expresses an opinion to enable those charged with governance to consider the independence of the firm. The nature and extent of matters to be communicated will depend on the facts and circumstances and might include for example: • Considerations affecting the level of the fees such as: The scale, complexity and geographic spread of the o audit client's operations. The time spent or expected to be spent o commensurate with the scope and complexity of the audit. The cost of other resources utilized or expended in o performing the audit. The quality of record keeping and processes for o financial statements preparation. • Adjustments to the fees quoted or charged during the period of the audit, and the reasons for any such adjustments. • Changes to laws and regulations and professional standards relevant to the audit that impacted the fees. | The objective of such communication is to provide the background and context to the fees for the audit of the financial statements on which the firm expresses an opinion to enable those charged with governance to consider the independence of the firm. The nature and extent of matters to be communicated will depend on the facts and circumstances and might include for example: • Considerations affecting the level of the fees such as: o The scale, complexity and geographic spread of the audit client's operations. The time spent or expected to be spent commensurate with the scope and complexity of the audit. o The cost of other resources utilized or expended in performing the audit. o The quality of record keeping and processes for financial statements preparation. • Adjustments to the fees quoted or charged during the period of the audit, and the reasons for any such adjustments. • Changes to laws and regulations and professional standards relevant to the audit that impacted the fees. | No Change |
| 410.23A2 | The firm is encouraged to provide such information as soon as practicable and communicate proposed adjustments as appropriate. | The firm is encouraged to provide such information as soon as practicable and communicate proposed adjustments as appropriate. | No Change |
| R410.24 | As an exception to paragraph R410.23, the firm may determine not to communicate the information set out in paragraph R410.23 to those charged with governance of an entity that is (directly or indirectly) wholly-owned by another public interest entity provided that: (a) The entity is consolidated into group financial statements prepared by that other public interest entity; and (b) The firm or a network firm expresses an opinion on those group financial statements. | As an exception to paragraph R410.23, the firm may determine not to communicate the information set out in paragraph R410.23 to those charged with governance of an entity that is (directly or indirectly) wholly-owned by another public interest entity provided that: (a) The entity is consolidated into group financial statements prepared by that other public interest entity; and (b) The firm or a network firm expresses an opinion on those group financial statements. | No Change |
| R410.25 | Subject to paragraph R410.27, the firm shall communicate in a timely manner with those charged with governance of an audit client that is a public interest entity: (a) The fees, other than those disclosed under paragraph | Subject to paragraph R410.27, the firm shall communicate in a timely manner with those charged with governance of an audit client that is a public interest entity: (a) The fees, other than those disclosed under paragraph R410.23 (a), charged to | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| | R410.23 (a), charged to the client for the provision of services by the firm or a network firm during the period covered by the financial statements on which the firm expresses an opinion. For this purpose, such fees shall only include fees charged to the client and its related entities over which the client has direct or indirect control that are consolidated in the financial statements on which the firm will express an opinion; and (b) As set out in paragraph 410.11 A1, where the firm has identified that there is an impact on the level of the selfinterest threat or that there is an intimidation threat to independence created by the proportion of fees for services other than audit relative to the audit fee: (i) Whether such threats are at an acceptable level; and (ii) If not, any actions that the firm has taken or proposes to take to reduce such threats to an acceptable level. | the client for the provision of services by the firm or a network firm during the period covered by the financial statements on which the firm expresses an opinion. For this purpose, such fees shall only include fees charged to the client and its related entities over which the client has direct or indirect control that are consolidated in the financial statements on which the firm will express an opinion; and (b) As set out in paragraph 410.11 A1, where the firm has identified that there is an impact on the level of the self-interest threat or that there is an intimidation threat to independence created by the proportion of fees for services other than audit relative to the audit fee:(i) Whether such threats are at an acceptable level; and(ii) If not, any actions that the firm has taken or proposes to take to reduce such threats to an acceptable level. | |
| 410.25A1 | The objective of such communication is to provide the background and context to the fees for other services to enable those charged with governance to consider the independence of the firm. The nature and extent of matters to be communicated will depend on the facts and circumstances and might include for example: • The amount of fees for other services that are required by law or regulation. • The nature of other services provided and their associated fees. • Information on the nature of the services provided under a general policy approved by those charged with governance and associated fees. • The proportion of fees referred to in paragraph R410.25(a) to the aggregate of the fees charged by the firm and network firms for the audit of the financial statements on which the firm expresses an opinion. | The objective of such communication is to provide the background and context to the fees for other services to enable those charged with governance to consider the independence of the firm. The nature and extent of matters to be communicated will depend on the facts and circumstances and might include for example: • The amount of fees for other services that are required by law or regulation.• The nature of other services provided and their associated fees.• Information on the nature of the services provided under a general policy approved by those charged with governance and associated fees.• The proportion of fees referred to in paragraph R410.25(a) to the aggregate of the fees charged by the firm and network firms for the audit of the financial statements on which the firm expresses an opinion. | No Change |
| R410.26 | The firm shall include in the communication required by paragraph R410.25(a) the fees, other than those disclosed under paragraph R410.23(a), charged to any other related entities over which the audit client has direct or indirect control for the provision of services by the firm or a network firm, when the firm knows, or has reason to believe, that such fees are relevant to the evaluation of the firm's independence. | The firm shall include in the communication required by paragraph R410.25(a) the fees, other than those disclosed under paragraph R410.23(a), charged to any other related entities over which the audit client has direct or indirect control for the provision of services by the firm or a network firm, when the firm knows, or has reason to believe, that such fees are relevant to the evaluation of the firm's independence. | No Change |
| 410.26A1 | Factors the firm might consider when determining whether the fees, other than | Factors the firm might consider when determining whether the fees, other than those disclosed under | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| | those disclosed under paragraph R410.23(a), charged to such other related entities, individually and in the aggregate, for the provision of services by the firm or a network firm are relevant to the evaluation of the firm's independence include: • The extent of the audit client's involvement in the appointment of the firm or network firm for the provision of such services, including the negotiation of fees. • The significance of the fees paid by the other related entities to the firm or a network firm. • The proportion of fees from the other related entities to the fees paid by the client. | paragraph R410.23(a), charged to such other related entities, individually and in the aggregate, for the provision of services by the firm or a network firm are relevant to the evaluation of the firm's independence include: • The extent of the audit client's involvement in the appointment of the firm or network firm for the provision of such services, including the negotiation of fees. • The significance of the fees paid by the other related entities to the firm or a network firm. • The proportion of fees from the other related entities to the fees paid by the client. | |
| R410.27 | As an exception to paragraph R410.25, the firm may determine not to communicate the information set out in paragraph R410.25 to those charged with governance of an entity that is (directly or indirectly) wholly-owned by another public interest entity provided that: (a) The entity is consolidated into group financial statements prepared by that other public interest entity; and (b) The firm or a network firm expresses an opinion on those group financial statements. | As an exception to paragraph R410.25, the firm may determine not to communicate the information set out in paragraph R410.25 to those charged with governance of an entity that is (directly or indirectly) wholly-owned by another public interest entity provided that: (a) The entity is consolidated into group financial statements-prepared by that other public interest entity; and(b) The firm or a network firm expresses an opinion on those group financial statements. | No Change |
| R410.28 | Where the total fees from an audit client that is a public interest entity represent, or are likely to represent, more than 15% of the total fees received by the firm, the firm shall communicate with those charged with governance: (a) That fact and whether this situation is likely to continue; (b) The safeguards applied to address the threats created, including, where relevant, the use of a pre-issuance review (Ref: Para R410.18); and (c) Any proposal to continue as the auditor under paragraph R410.21. | Where the total fees from an audit client that is a public interest entity represent, or are likely to represent, more than 15% of the total fees received by the firm, the firm shall communicate with those charged with governance: (a) That fact and whether this situation is likely to continue; (b) The safeguards applied to address the threats created, including, where relevant, the use of a pre-issuance review (Ref: Para R410.18); and (c) Any proposal to continue as the auditor under paragraph R410.21. | No Change |
| 410.29A1 | In view of the public interest in the audits of public interest entities, it is beneficial for stakeholders to have visibility about the professional relationships between the firm and the audit client which might reasonably be thought to be relevant to the evaluation of the firm's independence. In a wide number of jurisdictions, there already exist requirements regarding the disclosure of fees by an audit client for both audit and services other than audit paid and payable to the firm and network firms. Such disclosures often require the disaggregation of fees for services other than audit into different categories. | In view of the public interest in the audits of public interest entities, it is beneficial for stakeholders to have visibility about the professional relationships between the firm and the audit client which might reasonably be thought to be relevant to the evaluation of the firm's independence. In a wide number of jurisdictions, there already exist requirements regarding the disclosure of fees by an audit client for both audit and services other than audit paid and payable to the firm and network firms. Such disclosures often require the disaggregation of fees for services other than audit into different categories. | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| R410.30 | If laws and regulations do not require an audit client to disclose audit fees, fees for services other than audit paid or payable to the firm and network firms and information about fee dependency, the firm shall discuss with those charged with governance of an audit client that is a public interest entity: (a) The benefit to the client's stakeholders of the client making such disclosures that are not required by laws and regulations in a manner deemed appropriate, taking into account the timing and accessibility of the information; and (b) The information that might enhance the users' understanding of the fees paid or payable and their impact on the firm's independence. | If laws and regulations do not require an audit client to disclose audit fees, fees for services other than audit paid or payable to the firm and network firms and information about fee dependency, the firm shall discuss with those charged with governance of an audit client that is a public interest entity: (a) The benefit to the client's stakeholders of the client making such disclosures that are not required by laws and regulations in a manner deemed appropriate, taking into account the timing and accessibility of the information; and (b) The information that might enhance the users' understanding of the fees paid or payable and their impact on the firm's independence. | No Change |
| 410.30A1 | Examples of information relating to fees that might enhance the users' understanding of the fees paid or payable and their impact on the firm's independence include: • Comparative information of the prior year's fees for audit and services other than audit. • The nature of services and their associated fees as disclosed under paragraph R410.31(b). • Safeguards applied when the total fees from the client represent or are likely to represent more than 15% of the total fees received by the firm. | Examples of information relating to fees that might enhance the users' understanding of the fees paid or payable and their impact on the firm's independence include: • Comparative information of the prior year's fees for audit and services other than audit. • The nature of services and their associated fees as disclosed under paragraph R410.31(b). • Safeguards applied when the total fees from the client represent or are likely to represent more than 15% of the total fees received by the firm. | No Change |
| R410.31 | After the discussion with those charged with governance as set out in paragraph R410.30, to the extent that the audit client that is a public interest entity does not make the relevant disclosure, subject to paragraph R410.32, the firm shall publicly disclose: (a) Fees paid or payable to the firm and network firms for the audit of the financial statements on which the firm expresses an opinion; (b) Fees, other than those disclosed under (a), charged to the client for the provision of services by the firm or a network firm during the period covered by the financial statements on which the firm expresses an opinion. For this purpose, such fees shall only include fees charged to the client and its related entities over which the client has direct or indirect control that are consolidated in the financial statements on which the firm will express an opinion; (c) Any fees, other than those disclosed under (a) and (b), charged to any other related entities over which the audit client has direct or indirect control for the provision of services by the firm or a network firm when the firm knows, or has reason to believe, that | After the discussion with those charged with governance as set out in paragraph R410.30, to the extent that the audit client that is a public interest entity does not make the relevant disclosure, subject to paragraph R410.32, the firm shall publicly disclose: (a) Fees paid or payable to the firm and network firms for the audit of the financial statements on which the firm expresses an opinion; (b) Fees, other than those disclosed under (a), charged to the client for the provision of services by the firm or a network firm during the period covered by the financial statements on which the firm expresses an opinion. For this purpose, such fees shall only include fees charged to the client and its related entities over which the client has direct or indirect control that are consolidated in the financial statements on which the firm will express an opinion; (c) Any fees, other than those disclosed under (a) and (b), charged to any other related entities over which the audit client has direct or indirect control for the provision of services by the firm or a network firm when the firm knows, or has reason to believe, that such fees are relevant to the evaluation of the firm's independence; and (d) If applicable, the fact that the total fees received by the firm from the audit client represent, or are likely to represent, more than 15% | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| | such fees are relevant to the evaluation of the firm's independence; and (d) If applicable, the fact that the total fees received by the firm from the audit client represent, or are likely to represent, more than 15% of the total fees received by the firm for two consecutive years, and the year that this situation first arose. | of the total fees received by the firm for two consecutive years, and the year that this situation first arose. | |
| 410.31A1 | The firm might also disclose other information relating to fees that will enhance the users' understanding of the fees paid or payable and the firm's independence, such as the examples described in paragraph 410.30 A1. | The firm might also disclose other information relating to fees that will enhance the users' understanding of the fees paid or payable and the firm's independence, such as the examples described in paragraph 410.30 A1. | No Change |
| 410.31A2 | Factors the firm might consider when making the determination required by paragraph R410.31(c) are set out in paragraph 410.26 A1. | Factors the firm might consider when making the determination required by paragraph R410.31(c) are set out in paragraph 410.26 A1. | No Change |
| 410.31A3 | When disclosing fee-related information in compliance with paragraph R410.31, the firm might disclose the information in a manner deemed appropriate taking into account the timing and accessibility of the information to stakeholders, for example: • On the firm's website. • In the firm's transparency report. • In an audit quality report. • Through targeted communication to specific stakeholders, for example a letter to the shareholders. • In the auditor's report. | When disclosing fee-related information in compliance with paragraph R410.31, the firm might disclose the information in a manner deemed appropriate taking into account the timing and accessibility of the information to stakeholders, for example: • On the firm's website. • In the firm's transparency report. • In an audit quality report. • Through targeted communication to specific stakeholders, for example a letter to the shareholders. • In the auditor's report. | No Change |
| R410.32 | As an exception to paragraph R410.31, the firm may determine not to publicly disclose the information set out in paragraph R410.31 relating to: (a) A parent entity that also prepares group financial statements provided that the firm or a network firm expresses an opinion on the group financial statements; or (b) An entity (directly or indirectly) wholly-owned by another public interest entity provided that: (i) The entity is consolidated into group financial statements prepared by that other public interest entity; and (ii) The firm or a network firm expresses an opinion on those group financial statements. | As an exception to paragraph R410.31, the firm may determine not to publicly disclose the information set out in paragraph R410.31 relating to: (a) A parent entity that also prepares group financial statements provided that the firm or a network firm expresses an opinion on the group financial statements; or (b) An entity (directly or indirectly) wholly-owned by another public interest entity provided that: (i) The entity is consolidated into group financial statements prepared by that other public interest entity; and (ii) The firm or a network firm expresses an opinion on those group financial statements. | No Change |
| R410.33 | This section sets out requirements for a firm to communicate feerelated information of an audit client that is a public interest entity and to disclose publicly fee-related information to the extent that the client does not disclose such information. As an exception to those | This section sets out requirements for a firm to communicate fee- related information of an audit client that is a public interest entity and to disclose publicly fee-related information to the extent that the client does not disclose such information. As an exception to those requirements, the firm may | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| | requirements, the firm may determine not to communicate or pursue disclosure of such information where a review client is not also an audit client. | determine not to communicate or pursue disclosure of such information where a review client is not also an audit client. | |
| 411.1 | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | No Change |
| 411.2 | A firm's evaluation or compensation policies might create a self- interest threat. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | A firm's evaluation or compensation policies might create a self- interest threat. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | No Change |
| 411.3A1 | When an audit team member for a particular audit client is evaluated on or compensated for selling non-assurance services to that audit client, the level of the self-interest threat will depend on: (a) What proportion of the compensation or evaluation is based on the sale of such services; (b) The role of the individual on the audit team; and (c) Whether the sale of such non-assurance services influences promotion decisions. | When an audit team member for a particular audit client is evaluated on or compensated for selling non-assurance services to that audit client, the level of the self-interest threat will depend on: (a) What proportion of the compensation or evaluation is based on the sale of such services; (b) The role of the individual on the audit team; and (c) Whether the sale of such non-assurance services influences promotion decisions. | No Change |
| 411.3A2 | Examples of actions that might eliminate such a self-interest threat include: • Revising the compensation plan or evaluation process for that individual. • Removing that individual from the audit team. | Examples of actions that might eliminate such a self-interest threat include: • Revising the compensation plan or evaluation process for that individual. • Removing that individual from the audit team. | No Change |
| 411.3A3 | An example of an action that might be a safeguard to address such a self-interest threat is having an appropriate reviewer review the work of the audit team member. | An example of an action that might be a safeguard to address such a self- interest threat is having an appropriate reviewer review the work of the audit team member. | No Change |
| R411.4 | A firm shall not evaluate or compensate a key audit partner based on that partner's success in selling non-assurance services to the partner's audit client. This requirement does not preclude normal profit-sharing arrangements between partners of a firm. | A firm shall not evaluate or compensate a key audit partner based on that partner's success in selling non-assurance services to the partner's audit client. This requirement does not preclude normal profit-sharing arrangements between partners of a firm. | No Change |
| 420.1 | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | No Change |

**Annexure B**

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| 420.2 | Accepting gifts and hospitality from an audit client might create a self-interest, familiarity or intimidation threat. This section sets out a specific requirement and application material relevant to applying the conceptual framework in such circumstances. | Accepting gifts and hospitality from an audit client might create a self- interest, familiarity or intimidation threat. This section sets out a specific requirement and application material relevant to applying the conceptual framework in such circumstances. | No Change |
| R420.3 | A firm, network firm or an audit team member shall not accept gifts and hospitality from an audit client, unless the value is trivial and inconsequential. | A firm, network firm or an audit team member shall not accept gifts and hospitality from an audit client, unless the value is trivial and inconsequential | No Change |
| 420.3A1 | Where a firm, network firm or audit team member is offering or accepting an inducement to or from an audit client, the requirements and application material set out in Section 340 apply and non-compliance with these requirements might create threats to independence. | Where a firm, network firm or audit team member is offering or accepting an inducement to or from an audit client, the requirements and application material set out in Section 340 apply and non-compliance with these requirements might create threats to independence. | No Change |
| 420.3A2 | The requirements set out in Section 340 relating to offering or accepting inducements do not allow a firm, network firm or audit team member to accept gifts and hospitality where the intent is to improperly influence behavior even if the value is trivial and inconsequential. | The requirements set out in Section 340 relating to offering or accepting inducements do not allow a firm, network firm or audit team member to accept gifts and hospitality where the intent is to improperly influence behavior even if the value is trivial and inconsequential. | No Change |
| 430.1 | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | No Change |
| 430.2 | When litigation with an audit client occurs, or appears likely, self- interest and intimidation threats are created. This section sets out specific application material relevant to applying the conceptual framework in such circumstances. | When litigation with an audit client occurs, or appears likely, self- interest and intimidation threats are created. This section sets out specific application material relevant to applying the conceptual framework in such circumstances. | No Change |
| 430.3A1 | The relationship between client management and audit team members must be characterized by complete candor and full disclosure regarding all aspects of a client's operations. Adversarial positions might result from actual or threatened litigation between an audit client and the firm, a network firm or an audit team member. Such adversarial positions might affect management's willingness to make complete disclosures and create self-interest and intimidation threats. | The relationship between client management and audit team members must be characterized by complete candor and full disclosure regarding all aspects of a client's operations. Adversarial positions might result from actual or threatened litigation between an audit client and the firm, a network firm or an audit team member. Such adversarial positions might affect management's willingness to make complete disclosures and create self-interest and intimidation threats. | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 430.3A2 | Factors that are relevant in evaluating the level of such threats include: • The materiality of the litigation. • Whether the litigation relates to a prior audit engagement. | Factors that are relevant in evaluating the level of such threats include: • The materiality of the litigation. • Whether the litigation relates to a prior audit engagement. | No Change |
| 430.3A3 | If the litigation involves an audit team member, an example of an action that might eliminate such self-interest and intimidation threats is removing that individual from the audit team. | If the litigation involves an audit team member, an example of an action that might eliminate such self-interest and intimidation threats is removing that individual from the audit team. | No Change |
| 430.3A4 | An example of an action that might be a safeguard to address such self-interest and intimidation threats is to have an appropriate reviewer review the work performed. | An example of an action that might be a safeguard to address such self- interest and intimidation threats is to have an appropriate reviewer review the work performed. | No Change |
| 510.1 | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | No Change |
| 510.2 | Holding a financial interest in an audit client might create a self- interest threat. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | Holding a financial interest in an audit client might create a self-interest threat. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | No Change |
| 510.3A1 | A financial interest might be held directly or indirectly through an intermediary such as a collective investment vehicle, an estate or a trust. When a beneficial owner has control over the intermediary or ability to influence its investment decisions, the Code defines that financial interest to be direct. Conversely, when a beneficial owner has no control over the intermediary or ability to influence its investment decisions, the Code defines that financial interest to be indirect. | A financial interest might be held directly or indirectly through an intermediary such as a collective investment vehicle, an estate or a trust. When a beneficial owner has control over the intermediary or ability to influence its investment decisions, the Code defines that financial interest to be direct. Conversely, when a beneficial owner has no control over the intermediary or ability to influence its investment decisions, the Code defines that financial interest to be indirect. | No Change |
| 510.3A2 | This section contains references to the “materiality” of a financial interest. In determining whether such an interest is material to an individual, the combined net worth of the individual and the individual’s immediate family members may be taken into account. | This section contains references to the “materiality” of a financial interest. In determining whether such an interest is material to an individual, the combined net worth of the individual and the individual’s immediate family members may be taken into account. | No Change |
| 510.3A3 | Factors that are relevant in evaluating the level of a self-interest threat created by holding a financial interest in an audit client include: • The role of the individual holding the financial interest. • Whether the financial | Factors that are relevant in evaluating the level of a self-interest threat created by holding a financial interest in an audit client include: • The role of the individual holding the financial interest. • Whether | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| | interest is direct or indirect. • The materiality of the financial interest. | the financial interest is direct or indirect. • The materiality of the financial interest. | |
| R510.4 | Subject to paragraph R510.5, a direct financial interest or a material indirect financial interest in the audit client shall not be held by: (a) The firm or a network firm; (b) An audit team member, or any of that individual's immediate family; (c) Any other partner in the office in which an engagement partner practices in connection with the audit engagement, or any of that other partner's immediate family; or (d) Any other partner or managerial employee who provides non-audit services to the audit client, except for any whose involvement is minimal, or any of that individual's immediate family. | Subject to paragraph R510.5, a direct financial interest or a material indirect financial interest in the audit client shall not be held by: (a) The firm or a network firm; (b) An audit team member, or any of that individual's immediate family; (c) Any other partner in the office in which an engagement partner practices in connection with the audit engagement, or any of that other partner's immediate family; or (d) Any other partner or managerial employee who provides non- audit services to the audit client, except for any whose involvement is minimal, or any of that individual's immediate family. | No Change |
| 510.4A1 | The office in which the engagement partner practices in connection with an audit engagement is not necessarily the office to which that partner is assigned. When the engagement partner is located in a different office from that of the other engagement team members, professional judgment is needed to determine the office in which the partner practices in connection with the engagement. | The office in which the engagement partner practices in connection with an audit engagement is not necessarily the office to which that partner is assigned. When the engagement partner is located in a different office from that of the other engagement team members, professional judgment is needed to determine the office in which the partner practices in connection with the engagement. | No Change |
| R510.5 | As an exception to paragraph R510.4, an immediate family member identified in subparagraphs R510.4(c) or (d) may hold a direct or material indirect financial interest in an audit client, provided that: (a) The family member received the financial interest because of employment rights, for example through pension or share option plans, and, when necessary, the firm addresses the threat created by the financial interest; and (b) The family member disposes of or forfeits the financial interest as soon as practicable when the family member has or obtains the right to do so, or in the case of a stock option, when the family member obtains the right to exercise the option. | As an exception to paragraph R510.4, an immediate family member identified in subparagraphs R510.4(c) or (d) may hold a direct or material indirect financial interest in an audit client, provided that: (a) The family member received the financial interest because of employment rights, for example through pension or share option plans, and, when necessary, the firm addresses the threat created by the financial interest; and (b) The family member disposes of or forfeits the financial interest as soon as practicable when the family member has or obtains the right to do so, or in the case of a stock option, when the family member obtains the right to exercise the option. | No Change |
| R510.6 | When an entity has a controlling interest in an audit client and the client is material to the entity, neither the firm, nor a network firm, nor an audit team member, nor any of that individual's immediate family shall hold a direct or material indirect financial interest in that entity. | When an entity has a controlling interest in an audit client and the client is material to the entity, neither the firm, nor a network firm, nor an audit team member, nor any of that individual's immediate family shall hold a direct or material indirect financial interest in that entity. | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| R510.7 | Paragraph R510.4 shall also apply to a financial interest in an audit client held in a trust for which the firm, network firm or individual acts as trustee, unless: (a) None of the following is a beneficiary of the trust: the trustee, the audit team member or any of that individual's immediate family, the firm or a network firm; (b) The interest in the audit client held by the trust is not material to the trust; (c) The trust is not able to exercise significant influence over the audit client; and (d) None of the following can significantly influence any investment decision involving a financial interest in the audit client: the trustee, the audit team member or any of that individual's immediate family, the firm or a network firm. | Paragraph R510.4 shall also apply to a financial interest in an audit client held in a trust for which the firm, network firm or individual acts as trustee, unless: (a) None of the following is a beneficiary of the trust: the trustee, the audit team member or any of that individual's immediate family, the firm or a network firm; (b) The interest in the audit client held by the trust is not material to the trust; (c) The trust is not able to exercise significant influence over the audit client; and None of the following can significantly influence any investment decision involving a financial interest in the audit client: the trustee, the audit team member or any of that individual's immediate family, the firm or a network firm. | No Change |
| R510.8 | (a) A firm, or a network firm, or an audit team member, or any of that individual's immediate family shall not hold a financial interest in an entity when an audit client also has a financial interest in that entity, unless: (i) The financial interests are immaterial to the firm, the network firm, the audit team member and that individual's immediate family member and the audit client, as applicable; or (ii) The audit client cannot exercise significant influence over the entity. (b) Before an individual who has a financial interest described in paragraph R510.8(a) can become an audit team member, the individual or that individual's immediate family member shall either: (i) Dispose of the interest; or (ii) Dispose of enough of the interest so that the remaining interest is no longer material. | (a) A firm, or a network firm, or an audit team member, or any of that individual's immediate family shall not hold a financial interest in an entity when an audit client also has a financial interest in that entity, unless: (i) The financial interests are immaterial to the firm, the network firm, the audit team member and that individual's immediate family member and the audit client, as applicable; or (ii) The audit client cannot exercise significant influence over the entity. (b) Before an individual who has a financial interest described in paragraph R510.8(a) can become an audit team member, the individual or that individual's immediate family member shall either: (i) Dispose of the interest; or (ii) Dispose of enough of the interest so that the remaining interest is no longer material. | No Change |
| R510.9 | If a firm, a network firm or a partner or employee of the firm or a network firm, or any of that individual's immediate family, receives a direct financial interest or a material indirect financial interest in an audit client by way of an inheritance, gift, as a result of a merger or in similar circumstances and the interest would not otherwise be permitted to be held under this section, then: (a) If the interest is received by the firm or a network firm, or an audit team member or any of that individual's immediate family, the financial interest shall be disposed of immediately, or enough of an indirect financial interest shall be disposed of so that the remaining interest is no longer material; or (b) (i) If the interest is received by an individual who is not an audit team | If a firm, a network firm or a partner or employee of the firm or a network firm, or any of that individual's immediate family, receives a direct financial interest or a material indirect financial interest in an audit client by way of an inheritance, gift, as a result of a merger or in similar circumstances and the interest would not otherwise be permitted to be held under this section, then: (a) If the interest is received by the firm or a network firm, or an audit team member or any of that individual's immediate family, the financial interest shall be disposed of immediately, or enough of an indirect financial interest shall be disposed of so that the remaining interest is no longer material; or (b) (i) If the interest is received by an individual who is not an audit team member, or by any of that individual's immediate family, the financial interest shall be disposed of as soon as possible, or enough of an indirect financial interest | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | member, or by any of that individual's immediate family, the financial interest shall be disposed of as soon as possible, or enough of an indirect financial interest shall be disposed of so that the remaining interest is no longer material; and (ii) Pending the disposal of the financial interest, when necessary the firm shall address the threat created. | shall be disposed of so that the remaining interest is no longer material; and Pending the disposal of the financial interest, when necessary the firm shall address the threat created. | |
| 510.10A1 | A self-interest, familiarity, or intimidation threat might be created if an audit team member, or any of that individual's immediate family, or the firm or a network firm has a financial interest in an entity when a director or officer or controlling owner of the audit client is also known to have a financial interest in that entity. | A self-interest, familiarity, or intimidation threat might be created if an audit team member, or any of that individual's immediate family, or the firm or a network firm has a financial interest in an entity when a director or officer or controlling owner of the audit client is also known to have a financial interest in that entity. | No Change |
| 510.10A2 | Factors that are relevant in evaluating the level of such threats include: • The role of the individual on the audit team. • Whether ownership of the entity is closely or widely held. • Whether the interest allows the investor to control or significantly influence the entity. • The materiality of the financial interest. | Factors that are relevant in evaluating the level of such threats include: • The role of the individual on the audit team. • Whether ownership of the entity is closely or widely held. • Whether the interest allows the investor to control or significantly influence the entity. • The materiality of the financial interest. | No Change |
| 510.10A3 | An example of an action that might eliminate such a self-interest, familiarity, or intimidation threat is removing the audit team member with the financial interest from the audit team. | An example of an action that might eliminate such a self-interest, familiarity, or intimidation threat is removing the audit team member with the financial interest from the audit team. | No Change |
| 510.10A4 | An example of an action that might be a safeguard to address such a self-interest threat is having an appropriate reviewer review the work of the audit team member. | An example of an action that might be a safeguard to address such a self- interest threat is having an appropriate reviewer review the work of the audit team member. | No Change |
| 510.10A5 | A self-interest threat might be created if an audit team member knows that a close family member has a direct financial interest or a material indirect financial interest in the audit client. | A self-interest threat might be created if an audit team member knows that a close family member has a direct financial interest or a material indirect financial interest in the audit client. | No Change |
| 510.10A6 | Factors that are relevant in evaluating the level of such a threat include: • The nature of the relationship between the audit team member and the close family member. • Whether the financial interest is direct or indirect. • The materiality of the financial interest to the close family member. | Factors that are relevant in evaluating the level of such a threat include: • The nature of the relationship between the audit team member and the close family member. • Whether the financial interest is direct or indirect. • The materiality of the financial interest to the close family member. | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 510.10A7 | Examples of actions that might eliminate such a self-interest threat include: • Having the close family member dispose, as soon as practicable, of all of the financial interest or dispose of enough of an indirect financial interest so that the remaining interest is no longer material. • Removing the individual from the audit team. | Examples of actions that might eliminate such a self-interest threat include: • Having the close family member dispose, as soon as practicable, of all of the financial interest or dispose of enough of an indirect financial interest so that the remaining interest is no longer material. • Removing the individual from the audit team. | No Change |
| 510.10A8 | An example of an action that might be a safeguard to address such a self-interest threat is having an appropriate reviewer review the work of the audit team member. | An example of an action that might be a safeguard to address such a self- interest threat is having an appropriate reviewer review the work of the audit team member. | No Change |
| 510.10A9 | A self-interest threat might be created if an audit team member knows that a financial interest in the audit client is held by individuals such as: • Partners and professional employees of the firm or network firm, apart from those who are specifically not permitted to hold such financial interests by paragraph R510.4, or their immediate family members. • Individuals with a close personal relationship with an audit team member. | A self-interest threat might be created if an audit team member knows that a financial interest in the audit client is held by individuals such as: • Partners and professional employees of the firm or network firm, apart from those who are specifically not permitted to hold such financial interests by paragraph R510.4, or their immediate family members. • Individuals with a close personal relationship with an audit team member. | No Change |
| 510.10A10 | Factors that are relevant in evaluating the level of such a threat include: • The firm's organizational, operating and reporting structure. • The nature of the relationship between the individual and the audit team member. | Factors that are relevant in evaluating the level of such a threat include: • The firm's organizational, operating and reporting structure. • The nature of the relationship between the individual and the audit team member. | No Change |
| 510.10A11 | An example of an action that might eliminate such a self-interest threat is removing the audit team member with the personal relationship from the audit team. | An example of an action that might eliminate such a self-interest threat is removing the audit team member with the personal relationship from the audit team. | No Change |
| 510.10A12 | Examples of actions that might be safeguards to address such a self-interest threat include: • Excluding the audit team member from any significant decision-making concerning the audit engagement. • Having an appropriate reviewer review the work of the audit team member. | Examples of actions that might be safeguards to address such a self- interest threat include: • Excluding the audit team member from any significant decision- making concerning the audit engagement. • Having an appropriate reviewer review the work of the audit team member. | No Change |
| 510.10A13 | A self-interest threat might be created if a retirement benefit plan of a firm or a network firm holds a direct or material indirect financial interest in an audit client. | A self-interest threat might be created if a retirement benefit plan of a firm or a network firm holds a direct or material indirect financial interest in an audit client. | No Change |
| 511.1 | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in | Firms are required to comply with the fundamental principles, be independent and apply the conceptual | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | Section 120 to identify, evaluate and address threats to independence. | framework set out in Section 120 to identify, evaluate and address threats to independence. | |
| 511.2 | A loan or a guarantee of a loan with an audit client might create a self-interest threat. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | A loan or a guarantee of a loan with an audit client might create a self- interest threat. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | No Change |
| 511.3A1 | This section contains references to the "materiality" of a loan or guarantee. In determining whether such a loan or guarantee is material to an individual, the combined net worth of the individual and the individual's immediate family members may be taken into account. | This section contains references to the "materiality" of a loan or guarantee. In determining whether such a loan or guarantee is material to an individual, the combined net worth of the individual and the individual's immediate family members may be taken into account. | No Change |
| R511.4 | A firm, a network firm, an audit team member, or any of that individual's immediate family shall not make or guarantee a loan to an audit client unless the loan or guarantee is immaterial to: (a) The firm, the network firm or the individual making the loan or guarantee, as applicable; and (b) The client. | A firm, a network firm, an audit team member, or any of that individual's immediate family shall not make or guarantee a loan to an audit client unless the loan or guarantee is immaterial to: (a) The firm, the network firm or the individual making the loan or guarantee, as applicable; and (b) The client. | No Change |
| R511.5 | A firm, a network firm, an audit team member, or any of that individual's immediate family shall not accept a loan, or a guarantee of a loan, from an audit client that is a bank or a similar institution unless the loan or guarantee is made under normal lending procedures, terms and conditions. | A firm, a network firm, an audit team member, or any of that individual's immediate family shall not accept a loan, or a guarantee of a loan, from an audit client that is a bank or a similar institution unless the loan or guarantee is made under normal lending procedures, terms and conditions. | No Change |
| 511.5A1 | Examples of loans include mortgages, bank overdrafts, car loans, and credit card balances. | Examples of loans include mortgages, bank overdrafts, car loans, and credit card balances. | No Change |
| 511.5A2 | Even if a firm or network firm receives a loan from an audit client that is a bank or similar institution under normal lending procedures, terms and conditions, the loan might create a self- interest threat if it is material to the audit client or firm receiving the loan. | Even if a firm or network firm receives a loan from an audit client that is a bank or similar institution under normal lending procedures, terms and conditions, the loan might create a self-interest threat if it is material to the audit client or firm receiving the loan. | No Change |
| 511.5A3 | An example of an action that might be a safeguard to address such a self-interest threat is having the work reviewed by an appropriate reviewer, who is not an audit team member, from a network firm that is not a beneficiary of the loan. | An example of an action that might be a safeguard to address such a self- interest threat is having the work reviewed by an appropriate reviewer, who is not an audit team member, from a network firm that is not a beneficiary of the loan. | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| R511.6 | A firm, a network firm, an audit team member, or any of that individual's immediate family shall not have deposits or a brokerage account with an audit client that is a bank, broker or similar institution, unless the deposit or account is held under normal commercial terms. | A firm, a network firm, an audit team member, or any of that individual's immediate family shall not have deposits or a brokerage account with an audit client that is a bank, broker or similar institution, unless the deposit or account is held under normal commercial terms. | No Change |
| R511.7 | A firm, a network firm, an audit team member, or any of that individual's immediate family shall not accept a loan from, or have a borrowing guaranteed by, an audit client that is not a bank or similar institution, unless the loan or guarantee is immaterial to: (a) The firm, the network firm, or the individual receiving the loan or guarantee, as applicable; and (b) The client. | A firm, a network firm, an audit team member, or any of that individual's immediate family shall not accept a loan from, or have a borrowing guaranteed by, an audit client that is not a bank or similar institution, unless the loan or guarantee is immaterial to: (a) The firm, the network firm, or the individual receiving the loan or guarantee, as applicable; and (b) The client. | No Change |
| 520.1 | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | No Changes |
| 520.2 | A close business relationship with an audit client or its management might create a self-interest or intimidation threat. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | A close business relationship with an audit client or its management might create a self-interest or intimidation threat. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | No Changes |
| 520.3A1 | This section contains references to the "materiality" of a financial interest and the "significance" of a business relationship. In determining whether such a financial interest is material to an individual, the combined net worth of the individual and the individual's immediate family members may be taken into account. | This section contains references to the "materiality" of a financial interest and the "significance" of a business relationship. In determining whether such a financial interest is material to an individual, the combined net worth of the individual and the individual's immediate family members may be taken into account. | No Changes |
| 520.3A2 | Examples of a close business relationship arising from a commercial relationship or common financial interest include: • Having a financial interest in a joint venture with either the client or a controlling owner, director or officer or other individual who performs senior managerial activities for that client. • Arrangements to combine one or more services or products of the firm or a network firm with one or more services or products of the client and to market the package with reference to both parties. • Arrangements under which the firm or a network firm sells, resells, distributes or | Examples of a close business relationship arising from a commercial relationship or common financial interest include: • Having a financial interest in a joint venture with either the client or a controlling owner, director or officer or other individual who performs senior managerial activities for that client. • Arrangements to combine one or more services or products of the firm or a network firm with one or more services or products of the client and to market the package with reference to both parties. • Distribution or marketing arrangements under which the firm or a network firm distributes or markets the client's products or services, or the client distributes | Slight change due to local marketing restrictions |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | markets the client's products or services, or the client sells, resells, distributes or markets the firm's or a network firm's products or services. • Arrangements under which the firm or a network firm develops jointly with the client, products or solutions which one or both parties sell or license to third parties. | or markets the firm's or a network firm's products or services. | |
| 520.3A3 | An example that might create a close business relationship, depending on the facts and circumstances, is an arrangement under which the firm or a network firm licenses products or solutions to or from a client. | An example that might create a close business relationship, depending on the facts and circumstances, is an arrangement under which the firm or a network firm licenses products or solutions to or from a client. | "Changes to the Code" section |
| R520.4 | A firm, a network firm or an audit team member shall not have a close business relationship with an audit client or its management unless any financial interest is immaterial and the business relationship is insignificant to the client or its management and the firm, the network firm or the audit team member, as applicable. | A firm, a network firm or an audit team member shall not have a close business relationship with an audit client or its management unless any financial interest is immaterial and the business relationship is insignificant to the client or its management and the firm, the network firm or the audit team member, as applicable. | No Changes |
| 520.4A1 | A self-interest or intimidation threat might be created if there is a close business relationship between the audit client or its management and the immediate family of an audit team member. | A self-interest or intimidation threat might be created if there is a close business relationship between the audit client or its management and the immediate family of an audit team member. | No Changes |
| R520.5 | A firm, a network firm, an audit team member, or any of that individual's immediate family shall not have a business relationship involving the holding of an interest in a closely-held entity when an audit client or a director or officer of the client, or any group thereof, also holds an interest in that entity, unless: (a) The business relationship is insignificant to the firm, the network firm, or the individual as applicable, and the client; (b) The financial interest is immaterial to the investor or group of investors; and (c) The financial interest does not give the investor, or group of investors, the ability to control the closely-held entity. | A firm, a network firm, an audit team member, or any of that individual's immediate family shall not have a business relationship involving the holding of an interest in a closely-held entity when an audit client or a director or officer of the client, or any group thereof, also holds an interest in that entity, unless: (a) The business relationship is insignificant to the firm, the network firm, or the individual as applicable, and the client; (b) The financial interest is immaterial to the investor or group of investors; and (c) The financial interest does not give the investor, or group of investors, the ability to control the closely-held entity. | No Changes |
| 520.6A1 | The purchase of goods and services, including the licensing of technology from an audit client by a firm, a network firm, an audit team member, or any of that individual's immediate family does not usually create a threat to independence if the transaction is in the normal course of business and at | The purchase of goods and services from an audit client by a firm, a network firm, an audit team member, or any of that individual's immediate family does not usually create a threat to independence if the transaction is in the normal course of business and at arm's length. However, such transactions | Slight change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | arm's length. However, such transactions might be of such a nature and magnitude that they create a self-interest threat. | might be of such a nature and magnitude that they create a self-interest threat. | |
| 520.6A2 | Examples of actions that might eliminate such a self-interest threat include: • Eliminating or reducing the magnitude of the transaction. • Removing the individual from the audit team. | Examples of actions that might eliminate such a self-interest threat include: • Eliminating or reducing the magnitude of the transaction. • Removing the individual from the audit team. | No Changes |
| 520.7A1 | Where a firm or a network firm provides, sells, resells or licenses technology: (a) To an audit client; or (b) To an entity that provides services using such technology to audit clients of the firm or network firm, depending on the facts and circumstances, the requirements and application material in Section 600 apply. | Where a firm or a network firm provides, sells, resells or licenses technology: (a) To an audit client; or (b) To an entity that provides services using such technology to audit clients of the firm or network firm, depending on the facts and circumstances, the requirements and application material in Section 600 apply. | "Changes to the Code" section |
| 521.1 | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | No Changes |
| 521.2 | Family or personal relationships with client personnel might create a self-interest, familiarity or intimidation threat. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | Family or personal relationships with client personnel might create a self-interest, familiarity or intimidation threat. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | No Changes |
| 521.3A1 | A self-interest, familiarity or intimidation threat might be created by family and personal relationships between an audit team member and a director or officer or, depending on their role, certain employees of the audit client. | A self-interest, familiarity or intimidation threat might be created by family and personal relationships between an audit team member and a director or officer or, depending on their role, certain employees of the audit client. | No Changes |
| 521.3A2 | Factors that are relevant in evaluating the level of such threats include: • The individual's responsibilities on the audit team. • The role of the family member or other individual within the client, and the closeness of the relationship. | Factors that are relevant in evaluating the level of such threats include: • The individual's responsibilities on the audit team. • The role of the family member or other individual within the client, and the closeness of the relationship. | No Changes |
| 521.4A1 | A self-interest, familiarity or intimidation threat is created when an immediate family member of an audit team member is an employee in a position to exert significant influence over the client's financial position, financial performance or cash flows. | A self-interest, familiarity or intimidation threat is created when an immediate family member of an audit team member is an employee in a position to exert significant influence over the client's financial position, financial performance or cash flows. | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 521.4A2 | Factors that are relevant in evaluating the level of such threats include: • The position held by the immediate family member. • The role of the audit team member. | Factors that are relevant in evaluating the level of such threats include: • The position held by the immediate family member. • The role of the audit team member. | No Changes |
| 521.4A3 | An example of an action that might eliminate such a self-interest, familiarity or intimidation threat is removing the individual from the audit team. | An example of an action that might eliminate such a self-interest, familiarity or intimidation threat is removing the individual from the audit team. | No Changes |
| 521.4A4 | An example of an action that might be a safeguard to address such a self-interest, familiarity or intimidation threat is structuring the responsibilities of the audit team so that the audit team member does not deal with matters that are within the responsibility of the immediate family member. | An example of an action that might be a safeguard to address such a self- interest, familiarity or intimidation threat is structuring the responsibilities of the audit team so that the audit team member does not deal with matters that are within the responsibility of the immediate family member. | No Changes |
| R521.5 | An individual shall not participate as an audit team member when any of that individual's immediate family: (a) Is a director or officer of the audit client; (b) Is an employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion; or (c) Was in such position during any period covered by the engagement or the financial statements. | An individual shall not participate as an audit team member when any of that individual's immediate family: (a) Is a director or officer of the audit client; (b) Is an employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion; or (c) Was in such position during any period covered by the engagement or the financial statements. | No Changes |
| 521.6A1 | A self-interest, familiarity or intimidation threat is created when a close family member of an audit team member is: (a) A director or officer of the audit client; or (b) An employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion. | A self-interest, familiarity or intimidation threat is created when a close family member of an audit team member is: (a) A director or officer of the audit client; or (b) An employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion. | No Changes |
| 521.6A2 | Factors that are relevant in evaluating the level of such threats include: • The nature of the relationship between the audit team member and the close family member. • The position held by the close family member. • The role of the audit team member. | Factors that are relevant in evaluating the level of such threats include: • The nature of the relationship between the audit team member and the close family member. • The position held by the close family member. • The role of the audit team member. | No Changes |
| 521.6A3 | An example of an action that might eliminate such a self-interest, familiarity or intimidation threat is removing the individual from the audit team. | An example of an action that might eliminate such a self-interest, familiarity or intimidation threat is removing the individual from the audit team. | No Changes |
| 521.6A4 | An example of an action that might be a safeguard to address such a self-interest, | An example of an action that might be a safeguard to address such a self- interest, familiarity or | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | familiarity or intimidation threat is structuring the responsibilities of the audit team so that the audit team member does not deal with matters that are within the responsibility of the close family member. | intimidation threat is structuring the responsibilities of the audit team so that the audit team member does not deal with matters that are within the responsibility of the close family member. | |
| R521.7 | An audit team member shall consult in accordance with firm policies and procedures if the audit team member has a close relationship with an individual who is not an immediate or close family member, but who is: (a) A director or officer of the audit client; or (b) An employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion. | An audit team member shall consult in accordance with firm policies and procedures if the audit team member has a close relationship with an individual who is not an immediate or close family member, but who is: (a) A director or officer of the audit client; or (b) An employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion. | No Changes |
| 521.7A1 | Factors that are relevant in evaluating the level of a self-interest, familiarity or intimidation threat created by such a relationship include: • The nature of the relationship between the individual and the audit team member. • The position the individual holds with the client. • The role of the audit team member. | Factors that are relevant in evaluating the level of a self-interest, familiarity or intimidation threat created by such a relationship include: • The nature of the relationship between the individual and the audit team member. • The position the individual holds with the client. • The role of the audit team member. | No Changes |
| 521.7A2 | An example of an action that might eliminate such a self-interest, familiarity or intimidation threat is removing the individual from the audit team. | An example of an action that might eliminate such a self-interest, familiarity or intimidation threat is removing the individual from the audit team. | No Changes |
| 521.7A3 | An example of an action that might be a safeguard to address such a self-interest, familiarity or intimidation threat is structuring the responsibilities of the audit team so that the audit team member does not deal with matters that are within the responsibility of the individual with whom the audit team member has a close relationship. | An example of an action that might be a safeguard to address such a self- interest, familiarity or intimidation threat is structuring the responsibilities of the audit team so that the audit team member does not deal with matters that are within the responsibility of the individual with whom the audit team member has a close relationship. | No Changes |
| R521.8 | Partners and employees of the firm shall consult in accordance with firm policies and procedures if they are aware of a personal or family relationship between: (a) A partner or employee of the firm or network firm who is not an audit team member; and (b) A director or officer of the audit client or an employee of the audit client in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion. | Partners and employees of the firm shall consult in accordance with firm policies and procedures if they are aware of a personal or family relationship between: (a) A partner or employee of the firm or network firm who is not an audit team member; and (b) A director or officer of the audit client or an employee of the audit client in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion. | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| 521.8A1 | Factors that are relevant in evaluating the level of a self-interest, familiarity or intimidation threat created by such a relationship include: • The nature of the relationship between the partner or employee of the firm and the director or officer or employee of the client. • The degree of interaction of the partner or employee of the firm with the audit team. • The position of the partner or employee within the firm. • The position the individual holds with the client. | Factors that are relevant in evaluating the level of a self-interest, familiarity or intimidation threat created by such a relationship include: • The nature of the relationship between the partner or employee of the firm and the director or officer or employee of the client. • The degree of interaction of the partner or employee of the firm with the audit team. • The position of the partner or employee within the firm. • The position the individual holds with the client. | No Changes |
| 521.8A2 | Examples of actions that might be safeguards to address such self-interest, familiarity or intimidation threats include: • Structuring the partner's or employee's responsibilities to reduce any potential influence over the audit engagement. • Having an appropriate reviewer review the relevant audit work performed. | Examples of actions that might be safeguards to address such self- interest, familiarity or intimidation threats include: • Structuring the partner's or employee's responsibilities to reduce any potential influence over the audit engagement. • Having an appropriate reviewer review the relevant audit work performed. | No Changes |
| 522.1 | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | No Changes |
| 522.2 | If an audit team member has recently served as a director or officer, or employee of the audit client, a self-interest, self-review or familiarity threat might be created. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | If an audit team member has recently served as a director or officer, or employee of the audit client, a self-interest, self-review or familiarity threat might be created. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | No Changes |
| R522.3 | The audit team shall not include an individual who, during the period covered by the audit report: (a) Had served as a director or officer of the audit client; or (b) Was an employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion. | The audit team shall not include an individual who, during the period covered by the audit report: (a) Had served as a director or officer of the audit client; or (b) Was an employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion. | No Changes |
| 522.4A1 | A self-interest, self-review or familiarity threat might be created if, before the period covered by the audit report, an audit team member: (a) Had served as a director or officer of the audit client; or (b) Was an employee in a position to exert significant influence over the preparation of the client's accounting records or financial statements | A self-interest, self-review or familiarity threat might be created if, before the period covered by the audit report, an audit team member: (a) Had served as a director or officer of the audit client; or (b) Was an employee in a position to exert significant influence over the preparation of the client's accounting records or financial statements on which the firm will express an opinion. For example, a threat would be | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | on which the firm will express an opinion. For example, a threat would be created if a decision made or work performed by the individual in the prior period, while employed by the client, is to be evaluated in the current period as part of the current audit engagement. | created if a decision made or work performed by the individual in the prior period, while employed by the client, is to be evaluated in the current period as part of the current audit engagement. | |
| 522.4A2 | Factors that are relevant in evaluating the level of such threats include: • The position the individual held with the client. • The length of time since the individual left the client. • The role of the audit team member. | Factors that are relevant in evaluating the level of such threats include: • The position the individual held with the client. • The length of time since the individual left the client. • The role of the audit team member. | No Changes |
| 522.4A3 | An example of an action that might be a safeguard to address such a self-interest, self-review or familiarity threat is having an appropriate reviewer review the work performed by the audit team member. | An example of an action that might be a safeguard to address such a self- interest, self-review or familiarity threat is having an appropriate reviewer review the work performed by the audit team member. | No Changes |
| 523.1 | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | No Changes |
| 523.2 | Serving as a director or officer of an audit client creates self- review and self-interest threats. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | Serving as a director or officer of an audit client creates self-review and self-interest threats. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | No Changes |
| R523.3 | A partner or employee of the firm or a network firm shall not serve as a director or officer of an audit client of the firm. | A partner or employee of the firm or a network firm shall not serve as a director or officer of an audit client of the firm. | No Changes |
| R523.4 | A partner or employee of the firm or a network firm shall not serve as Company Secretary for an audit client of the firm, unless: (a) This practice is specifically permitted under local law, professional rules or practice; (b) Management makes all relevant decisions; and (c) The duties and activities performed are limited to those of a routine and administrative nature, such as preparing minutes and maintaining statutory returns. | A partner or employee of the firm or a network firm shall not serve as Company Secretary for an audit client of the firm, unless: (a) This practice is specifically permitted under local law, professional rules or practice; (b) Management makes all relevant decisions; and (c) The duties and activities performed are limited to those of a routine and administrative nature, such as preparing minutes and maintaining statutory returns. | No Changes |
| 523.4A1 | The position of Company Secretary has different implications in different jurisdictions. Duties might range from: administrative duties (such as personnel management and the maintenance of | The position of Company Secretary has different implications in different jurisdictions. Duties might range from: administrative duties (such as personnel management and the maintenance of company records and registers) to duties as diverse as | Only clarification added. |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | company records and registers) to duties as diverse as ensuring that the company complies with regulations or providing advice on corporate governance matters. Usually this position is seen to imply a close association with the entity. Therefore, a threat is created if a partner or employee of the firm or a network firm serves as Company Secretary for an audit client. (More information on providing non-assurance services to an audit client is set out in Section 600, Provision of Non-assurance Services to an Audit Client.) | ensuring that the company complies with regulations or providing advice on corporate governance matters. Usually this position is seen to imply a close association with the entity. Therefore, a threat is created if a partner or employee of the firm or a network firm serves as Company Secretary for an audit client. | |
| 524.1 | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | No Changes |
| 524.2 | Employment relationships with an audit client might create a self- interest, familiarity or intimidation threat. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | Employment relationships with an audit client might create a self- interest, familiarity or intimidation threat. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | No Changes |
| 524.3A1 | A familiarity or intimidation threat might be created if any of the following individuals have been an audit team member or partner of the firm or a network firm: • A director or officer of the audit client. • An employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion. | A familiarity or intimidation threat might be created if any of the following individuals have been an audit team member or partner of the firm or a network firm: • A director or officer of the audit client. • An employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion. | No Changes |
| R524.4 | The firm shall ensure that no significant connection remains between the firm or a network firm and: (a) A former partner who has joined an audit client of the firm; or (b) A former audit team member who has joined the audit client, if either has joined the audit client as: (i) A director or officer; or (ii) An employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion. A significant connection remains between the firm or a network firm and the individual, unless: (a) The individual is not entitled to any benefits or payments from the firm or network firm that are not made in accordance with fixed pre-determined arrangements; (b) Any amount owed to the | The firm shall ensure that no significant connection remains between the firm or a network firm and: (a) A former partner who has joined an audit client of the firm; or (b) A former audit team member who has joined the audit client, if either has joined the audit client as: (i) A director or officer; or (ii) An employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion. A significant connection remains between the firm or a network firm and the individual, unless: (a) The individual is not entitled to any benefits or payments from the firm or network firm that are not made in accordance with fixed pre-determined arrangements; (b) Any amount owed to the individual is not material to the firm or the network firm; and (c) The individual does not continue to participate or appear to participate in the | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | individual is not material to the firm or the network firm; and (c) The individual does not continue to participate or appear to participate in the firm's or the network firm's business or professional activities. | firm's or the network firm's business or professional activities. | |
| 524.4A1 | Even if the requirements of paragraph R524.4 are met, a familiarity or intimidation threat might still be created. | A familiarity or intimidation threat might be created if any of the following individuals have been an audit team member or partner of the firm or a network firm: • A director or officer of the audit client. • An employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion. | Slight change |
| 524.4A2 | A familiarity or intimidation threat might also be created if a former partner of the firm or network firm has joined an entity in one of the positions described in paragraph 524.3 A1 and the entity subsequently becomes an audit client of the firm. | A familiarity or intimidation threat might also be created if a former partner of the firm or network firm has joined an entity in one of the positions described in paragraph 524.3 A1 and the entity subsequently becomes an audit client of the firm. | No Changes |
| 524.4A3 | Factors that are relevant in evaluating the level of such threats include: • The position the individual has taken at the client. • Any involvement the individual will have with the audit team. • The length of time since the individual was an audit team member or partner of the firm or network firm. • The former position of the individual within the audit team, firm or network firm. An example is whether the individual was responsible for maintaining regular contact with the client's management or those charged with governance. | Factors that are relevant in evaluating the level of such threats include: • The position the individual has taken at the client. • Any involvement the individual will have with the audit team. • The length of time since the individual was an audit team member or partner of the firm or network firm. • The former position of the individual within the audit team, firm or network firm. An example is whether the individual was responsible for maintaining regular contact with the client's management or those charged with governance. | No Changes |
| 524.4A4 | Examples of actions that might be safeguards to address such familiarity or intimidation threats include: • Modifying the audit plan. • Assigning to the audit team individuals who have sufficient experience relative to the individual who has joined the client. • Having an appropriate reviewer review the work of the former audit team member. | Examples of actions that might be safeguards to address such familiarity or intimidation threats include: • Modifying the audit plan. • Assigning to the audit team individuals who have sufficient experience relative to the individual who has joined the client. • Having an appropriate reviewer review the work of the former audit team member. | No Changes |
| R524.5 | A firm or network firm shall have policies and procedures that require audit team members to notify the firm or network firm when entering employment negotiations with an audit client. | A firm or network firm shall have policies and procedures that require audit team members to notify the firm or network firm when entering employment negotiations with an audit client. | No Changes |
| 524.5A1 | A self-interest threat is created when an audit team member participates in the audit | A self-interest threat is created when an audit team member participates in the audit engagement while | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | engagement while knowing that the audit team member will, or might, join the client at some time in the future. | knowing that the audit team member will, or might, join the client at some time in the future. | |
| 524.5A2 | An example of an action that might eliminate such a self-interest threat is removing the individual from the audit team. | An example of an action that might eliminate such a self-interest threat is removing the individual from the audit team. | No Changes |
| 524.5A3 | An example of an action that might be a safeguard to address such a self-interest threat is having an appropriate reviewer review any significant judgments made by that individual while on the team. | An example of an action that might be a safeguard to address such a self- interest threat is having an appropriate reviewer review any significant judgments made by that individual while on the team. | No Changes |
| R524.6 | Subject to paragraph R524.8, if an individual who was a key audit partner with respect to an audit client that is a public interest entity joins the client as: (a) A director or officer; or (b) An employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion, independence is compromised unless, subsequent to the individual ceasing to be a key audit partner: (i) The audit client has issued audited financial statements covering a period of not less than twelve months; and (ii) The individual was not an audit team member with respect to the audit of those financial statements. | Subject to paragraph R524.8, if an individual who was a key audit partner with respect to an audit client that is a public interest entity joins the client as: (a) A director or officer; or (b) An employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion, independence is compromised unless, subsequent to the individual ceasing to be a key audit partner: (i) The audit client has issued audited financial statements covering a period of not less than twelve months; and (ii) The individual was not an audit team member with respect to the audit of those financial statements. | No Changes |
| R524.7 | Subject to paragraph R524.8, if an individual who was the Senior or Managing Partner (Chief Executive or equivalent) of the firm joins an audit client that is a public interest entity as: (a) A director or officer; or (b) An employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion, independence is compromised, unless twelve months have passed since the individual was the Senior or Managing Partner (Chief Executive or equivalent) of the firm. | Subject to paragraph R524.8, if an individual who was the Senior or Managing Partner (Chief Executive or equivalent) of the firm joins an audit client that is a public interest entity as: (a) A director or officer; or (b) An employee in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion, independence is compromised, unless twelve months have passed since the individual was the Senior or Managing Partner (Chief Executive or equivalent) of the firm. | No Changes |
| R524.8 | As an exception to paragraphs R524.6 and R524.7, independence is not compromised if the circumstances set out in those paragraphs arise as a result of a business combination and: (a) The position was not taken in contemplation of the business combination; (b) Any benefits or payments due to the former partner from the firm or a | As an exception to paragraphs R524.6 and R524.7, independence is not compromised if the circumstances set out in those paragraphs arise as a result of a business combination and: (a) The position was not taken in contemplation of the business combination; Any benefits or payments due to the former partner from the firm or a network firm have been settled in full, unless made in | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | network firm have been settled in full, unless made in accordance with fixed pre-determined arrangements and any amount owed to the partner is not material to the firm or network firm as applicable; (c) The former partner does not continue to participate or appear to participate in the firm's or network firm's business or professional activities; and (d) The firm discusses the former partner's position held with the audit client with those charged with governance. | accordance with fixed pre-determined arrangements and any amount owed to the partner is not material to the firm or network firm as applicable; (c) The former partner does not continue to participate or appear to participate in the firm's or network firm's business or professional activities; and (d) The firm discusses the former partner's position held with the audit client with those charged with governance. | |
| 525.1 | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | No Changes |
| 525.2 | The loan of personnel to an audit client might create a self- review, advocacy or familiarity threat. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | The loan of personnel to an audit client might create a self-review, advocacy or familiarity threat. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | No Changes |
| 525.3A1 | Examples of actions that might be safeguards to address threats created by the loan of personnel by a firm or a network firm to an audit client include: • Conducting an additional review of the work performed by the loaned personnel might address a self-review threat. • Not including the loaned personnel as an audit team member might address a familiarity or advocacy threat. • Not giving the loaned personnel audit responsibility for any function or activity that the personnel performed during the loaned personnel assignment might address a self-review threat. | Examples of actions that might be safeguards to address threats created by the loan of personnel by a firm or a network firm to an audit client include: • Conducting an additional review of the work performed by the loaned personnel might address a self-review threat. • Not including the loaned personnel as an audit team member might address a familiarity or advocacy threat. • Not giving the loaned personnel audit responsibility for any function or activity that the personnel performed during the loaned personnel assignment might address a self-review threat. | No Changes |
| 525.3A2 | When familiarity and advocacy threats are created by the loan of personnel by a firm or a network firm to an audit client, such that the firm or the network firm becomes too closely aligned with the views and interests of management, safeguards are often not available. | When familiarity and advocacy threats are created by the loan of personnel by a firm or a network firm to an audit client, such that the firm or the network firm becomes too closely aligned with the views and interests of management, safeguards are often not available. | No Changes |
| R525.4 | A firm or network firm shall not loan personnel to an audit client unless the firm or network firm is satisfied that: (a) Such assistance is provided only for a short period of time; (b) Such personnel will not assume management responsibilities and the audit client will be responsible for directing and | A firm or network firm shall not loan personnel to an audit client unless the firm or network firm is satisfied that: (a) Such assistance is provided only for a short period of time; (b) Such personnel will not assume management responsibilities and the audit client will be responsible for directing and supervising the activities of the personnel; (c) Any threat to the | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | supervising the activities of the personnel; (c) Any threat to the independence of the firm or network firm arising from the professional services undertaken by such personnel is eliminated or safeguards are applied to reduce such threat to an acceptable level; and (d) Such personnel will not undertake or be involved in professional services that the firm or network firm is prohibited from performing by the Code. | independence of the firm or network firm arising from the professional services undertaken by such personnel is eliminated or safeguards are applied to reduce such threat to an acceptable level; and (d) Such personnel will not undertake or be involved in professional services that the firm or network firm is prohibited from performing by the Code. | |
| 540.1 | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | No Changes |
| 540.2 | When an individual is involved in an audit engagement over a long period of time, familiarity and self-interest threats might be created. This section sets out requirements and application material relevant to applying the conceptual framework in such circumstances. | When an individual is involved in an audit engagement over a long period of time, familiarity and self-interest threats might be created. This section sets out requirements and application material relevant to applying the conceptual framework in such circumstances. | No Changes |
| 540.3A1 | Although an understanding of an audit client and its environment is fundamental to audit quality, a familiarity threat might be created as a result of an individual's long association as an audit team member with: (a) The audit client and its operations; (b) The audit client's senior management; or (c) The financial statements on which the firm will express an opinion or the financial information which forms the basis of the financial statements. | Although an understanding of an audit client and its environment is fundamental to audit quality, a familiarity threat might be created as a result of an individual's long association as an audit team member with: (a) The audit client and its operations; (b) The audit client's senior management; or (c) The financial statements on which the firm will express an opinion or the financial information which forms the basis of the financial statements. | No Changes |
| 540.3A2 | A self-interest threat might be created as a result of an individual's concern about losing a longstanding client or an interest in maintaining a close personal relationship with a member of senior management or those charged with governance. Such a threat might influence the individual's judgment inappropriately. | A self-interest threat might be created as a result of an individual's concern about losing a longstanding client or an interest in maintaining a close personal relationship with a member of senior management or those charged with governance. Such a threat might influence the individual's judgment inappropriately. | No Changes |
| 540.3A3 | Factors that are relevant to evaluating the level of such familiarity or self-interest threats include: (a) In relation to the individual: • The overall length of the individual's relationship with the client, including if such relationship existed while the individual was at a prior firm. • How long the individual has been an engagement team member, and the nature of the roles | Factors that are relevant to evaluating the level of such familiarity or self- interest threats include: (a) In relation to the individual: • The overall length of the individual's relationship with the client, including if such relationship existed while the individual was at a prior firm. • How long the individual has been an engagement team member, and the nature of the roles performed. • The extent to which the work of the individual is directed, reviewed and supervised | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| | performed. • The extent to which the work of the individual is directed, reviewed and supervised by more senior personnel. • The extent to which the individual, due to the individual's seniority, has the ability to influence the outcome of the audit, for example, by making key decisions or directing the work of other engagement team members. • The closeness of the individual's personal relationship with senior management or those charged with governance. • The nature, frequency and extent of the interaction between the individual and senior management or those charged with governance. (b) In relation to the audit client: • The nature or complexity of the client's accounting and financial reporting issues and whether they have changed. • Whether there have been any recent changes in senior management or those charged with governance. • Whether there have been any structural changes in the client's organization which impact the nature, frequency and extent of interactions the individual might have with senior management or those charged with governance. | by more senior personnel. • The extent to which the individual, due to the individual's seniority, has the ability to influence the outcome of the audit, for example, by making key decisions or directing the work of other engagement team members. • The closeness of the individual's personal relationship with senior management or those charged with governance. • The nature, frequency and extent of the interaction between the individual and senior management or those charged with governance. (b) In relation to the audit client: • The nature or complexity of the client's accounting and financial reporting issues and whether they have changed. • Whether there have been any recent changes in senior management or those charged with governance. • Whether there have been any structural changes in the client's organization which impact the nature, frequency and extent of interactions the individual might have with senior management or those charged with governance. | |
| 540.3A4 | The combination of two or more factors might increase or reduce the level of the threats. For example, familiarity threats created over time by the increasingly close relationship between an individual and a member of the client's senior management would be reduced by the departure of that member of the client's senior management. | The combination of two or more factors might increase or reduce the level of the threats. For example, familiarity threats created over time by the increasingly close relationship between an individual and a member of the client's senior management would be reduced by the departure of that member of the client's senior management. | No Changes |
| 540.3A5 | An example of an action that might eliminate the familiarity and self-interest threats created by an individual being involved in an audit engagement over a long period of time would be rotating the individual off the audit team. | An example of an action that might eliminate the familiarity and self- interest threats created by an individual being involved in an audit engagement over a long period of time would be rotating the individual off the audit team. | No Changes |
| 540.3A6 | Examples of actions that might be safeguards to address such familiarity or self-interest threats include: • Changing the role of the individual on the audit team or the nature and extent of the tasks the individual performs. • Having an appropriate reviewer who was not an audit team member review the work of the individual. • Performing regular independent internal or external quality reviews of the engagement. | Examples of actions that might be safeguards to address such familiarity or self-interest threats include: • Changing the role of the individual on the audit team or the nature and extent of the tasks the individual performs. • Having an appropriate reviewer who was not an audit team member review the work of the individual. • Performing regular independent internal or external quality reviews of the engagement. | No Changes |

**Annexure B**

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| R540.4 | If a firm decides that the level of the threats created can only be addressed by rotating the individual off the audit team, the firm shall determine an appropriate period during which the individual shall not: (a) Be a member of the engagement team for the audit engagement; (b) Perform an engagement quality review, or a review consistent with the objective of an engagement quality review, for the engagement; or (c) Exert direct influence on the outcome of the audit engagement. The period shall be of sufficient duration to allow the familiarity and self-interest threats to be addressed. In the case of a public interest entity, paragraphs R540.5 to R540.21 also apply. | If a firm decides that the level of the threats created can only be addressed by rotating the individual off the audit team, the firm shall determine an appropriate period during which the individual shall not: (a) Be a member of the engagement team for the audit engagement; (b) Perform an engagement quality review, or a review consistent with the objective of an engagement quality review, for the engagement; or (c) Exert direct influence on the outcome of the audit engagement. The period shall be of sufficient duration to allow the familiarity and self-interest threats to be addressed. | Reference to PIE given. |
| R540.5 | Subject to paragraphs R540.7 to R540.9, in respect of an audit of a public interest entity, an individual shall not act in any of the following roles, or a combination of such roles, for a period of more than seven cumulative years (the "time-on" period): (a) The engagement partner; (b) The individual appointed as responsible for performing the engagement quality review; or (c) Any other key audit partner role. After the time-on period, the individual shall serve a "cooling-off" period in accordance with the provisions in paragraphs R540.11 to R540.19. | Subject to paragraphs R540.7 to R540.9, in respect of an audit of a public interest entity, an individual shall not act in any of the following roles, or a combination of such roles, for a period of more than seven cumulative years (the "time-on" period) unless the law prescribes a shorter period: (a) The engagement partner; (b) The individual appointed as responsible for performing the engagement quality review; or (c) Any other key audit partner role. After the time-on period, the individual shall serve a "cooling-off" period in accordance with the provisions in paragraphs R540.11 to R540.20. | Only difference in reference |
| R540.6 | In calculating the time-on period, the count of years shall not be restarted unless the individual ceases to act in any one of the roles in paragraph R540.5(a) to (c) for a minimum period. This minimum period is a consecutive period equal to at least the cooling-off period determined in accordance with paragraphs R540.11 to R540.13 as applicable to the role in which the individual served in the year immediately before ceasing such involvement. | In calculating the time-on period, the count of years shall not be restarted unless the individual ceases to act in any one of the roles in paragraph R540.5(a) to (c) for a minimum period. This minimum period is a consecutive period equal to at least the cooling-off period determined in accordance with paragraphs R540.11 to R540.13 as applicable to the role in which the individual served in the year immediately before ceasing such involvement. | No Changes |
| 540.6A1 | For example, an individual who served as engagement partner for four years followed by three years off can only act thereafter as a key audit partner on the same audit engagement for three further years (making a total of seven cumulative years). Thereafter, that individual is required to cool off in accordance with paragraph R540.15. | For example, an individual who served as engagement partner for four years followed by three years off can only act thereafter as a key audit partner on the same audit engagement for three further years (making a total of seven cumulative years). Thereafter, that individual is required to cool off in accordance with paragraph R540.15. | No Changes |
| R540.7 | As an exception to paragraph R540.5, key audit partners whose continuity is especially | As an exception to paragraph R540.5, key audit partners whose continuity is especially important to | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | important to audit quality may, in rare cases due to unforeseen circumstances outside the firm's control, and with the concurrence of those charged with governance, be permitted to serve an additional year as a key audit partner as long as the threat to independence can be eliminated or reduced to an acceptable level. | audit quality may, in rare cases due to unforeseen circumstances outside the firm's control, and with the concurrence of those charged with governance, be permitted to serve an additional year as a key audit partner as long as the threat to independence can be eliminated or reduced to an acceptable level. | |
| 540.7A1 | For example, a key audit partner may remain in that role on the audit team for up to one additional year in circumstances where, due to unforeseen events, a required rotation was not possible, as might be the case due to serious illness of the intended engagement partner. In such circumstances, this will involve the firm discussing with those charged with governance the reasons why the planned rotation cannot take place and the need for any safeguards to reduce any threat created. | For example, a key audit partner may remain in that role on the audit team for up to one additional year in circumstances where, due to unforeseen events, a required rotation was not possible, as might be the case due to serious illness of the intended engagement partner. In such circumstances, this will involve the firm discussing with those charged with governance the reasons why the planned rotation cannot take place and the need for any safeguards to reduce any threat created. | No Changes |
| R540.8 | If an audit client becomes a public interest entity, a firm shall take into account the length of time an individual has served the audit client as a key audit partner before the client becomes a public interest entity in determining the timing of the rotation. If the individual has served the audit client as a key audit partner for a period of five cumulative years or less when the client becomes a public interest entity, the number of years the individual may continue to serve the client in that capacity before rotating off the engagement is seven years less the number of years already served. As an exception to paragraph R540.5, if the individual has served the audit client as a key audit partner for a period of six or more cumulative years when the client becomes a public interest entity, the individual may continue to serve in that capacity with the concurrence of those charged with governance for a maximum of two additional years before rotating off the engagement. | If an audit client becomes a public interest entity, a firm shall take into account the length of time an individual has served the audit client as a key audit partner before the client becomes a public interest entity in determining the timing of the rotation. If the individual has served the audit client as a key audit partner for a period of five cumulative years or less when the client becomes a public interest entity, the number of years the individual may continue to serve the client in that capacity before rotating off the engagement is seven years less the number of years already served. As an exception to paragraph R540.5, if the individual has served the audit client as a key audit partner for a period of six or more cumulative years when the client becomes a public interest entity, the individual may continue to serve in that capacity with the concurrence of those charged with governance for a maximum of two additional years before rotating off the engagement. | No Changes |
| R540.9 | When a firm has only a few people with the necessary knowledge and experience to serve as a key audit partner on the audit of a public interest entity, rotation of key audit partners might not be possible. As an exception to paragraph R540.5, if an independent regulatory body in the relevant jurisdiction has provided an exemption from partner rotation in such circumstances, an | When a firm has only a few people with the necessary knowledge and experience to serve as a key audit partner on the audit of a public interest entity, rotation of key audit partners might not be possible. As an exception to paragraph R540.5, if an independent regulatory body in the relevant jurisdiction has provided an exemption from partner rotation in such circumstances, an individual may remain a key audit partner for more than seven | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | individual may remain a key audit partner for more than seven years, in accordance with such exemption. This is provided that the independent regulatory body has specified other requirements which are to be applied, such as the length of time that the key audit partner may be exempted from rotation or a regular independent external review. | years, in accordance with such exemption. This is provided that the independent regulatory body has specified other requirements which are to be applied, such as the length of time that the key audit partner may be exempted from rotation or a regular independent external review. | |
| R540.10 | In evaluating the threats created by an individual's long association with an audit engagement, a firm shall give particular consideration to the roles undertaken and the length of an individual's association with the audit engagement prior to the individual becoming a key audit partner. | In evaluating the threats created by an individual's long association with an audit engagement, a firm shall give particular consideration to the roles undertaken and the length of an individual's association with the audit engagement prior to the individual becoming a key audit partner. | No Changes |
| 540.10A1 | There might be situations where the firm, in applying the conceptual framework, concludes that it is not appropriate for an individual who is a key audit partner to continue in that role even though the length of time served as a key audit partner is less than seven years. | There might be situations where the firm, in applying the conceptual framework, concludes that it is not appropriate for an individual who is a key audit partner to continue in that role even though the length of time served as a key audit partner is less than seven years. | No Changes |
| R540.11 | If the individual acted as the engagement partner for seven cumulative years, the cooling-off period shall be five consecutive years. | If the individual acted as the engagement partner for seven cumulative years, the cooling-off period shall be five consecutive years | No Changes |
| R540.12 | Where the individual has been appointed as responsible for the engagement quality review and has acted in that capacity for seven cumulative years, the cooling-off period shall be three consecutive years. | Where the individual has been appointed as responsible for the engagement quality review and has acted in that capacity for seven cumulative years, the cooling-off period shall be three consecutive years. | No Changes |
| R540.13 | If the individual has acted as a key audit partner other than in the capacities set out in paragraphs R540.11 and R540.12 for seven cumulative years, the cooling-off period shall be two consecutive years. | If the individual has acted as a key audit partner other than in the capacities set out in paragraphs R540.11 and R540.12 for seven cumulative years, the cooling-off period shall be two consecutive years. | No Changes |
| 540.14A1 | The partner rotation requirements in this section are distinct from, and do not modify, the cooling- off period required by ISQM 2 as a condition for eligibility before the engagement partner can assume the role of engagement quality reviewer (see paragraph 325.8 A4). | The partner rotation requirements in this section are distinct from, and do not modify, the cooling- off period required by ISQM 2 as a condition for eligibility before the engagement partner can assume the role of engagement quality reviewer (see paragraph 325.8 A4). | No Changes |
| R540.15 | If the individual acted in a combination of key audit partner roles and served as the engagement partner for four or more | If the individual acted in a combination of key audit partner roles and served as the engagement partner for four or more cumulative years, the cooling-off period shall be five consecutive years. | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | cumulative years, the cooling-off period shall be five consecutive years. | | |
| R540.16 | Subject to paragraph R540.17(a), if the individual acted in a combination of key audit partner roles and served as the key audit partner responsible for the engagement quality review for four or more cumulative years, the cooling-off period shall be three consecutive years. | Subject to paragraph R540.17(a), if the individual acted in a combination of key audit partner roles and served as the key audit partner responsible for the engagement quality review for four or more cumulative years, the cooling-off period shall be three consecutive years. | No Changes |
| R540.17 | If an individual has acted in a combination of engagement partner and engagement quality reviewer roles for four or more cumulative years during the time-on period, the cooling-off period shall: (a) As an exception to paragraph R540.16, be five consecutive years where the individual has been the engagement partner for three or more years; or (b) Be three consecutive years in the case of any other combination. | If an individual has acted in a combination of engagement partner and engagement quality reviewer roles for four or more cumulative years during the time-on period, the cooling-off period shall: (a) As an exception to paragraph R540.16, be five consecutive years where the individual has been the engagement partner for three or more years; or (b) Be three consecutive years in the case of any other combination. | No Changes |
| R540.18 | If the individual acted in any combination of key audit partner roles other than those addressed in paragraphs R540.15 to R540.17, the cooling-off period shall be two consecutive years. | If the individual acted in any combination of key audit partner roles other than those addressed in paragraphs R540.15 to R540.17, the cooling-off period shall be two consecutive years. | No Changes |
| R540.19 | In determining the number of years that an individual has been a key audit partner as set out in paragraph R540.5, the length of the relationship shall, where relevant, include time while the individual was a key audit partner on that engagement at a prior firm. | In determining the number of years that an individual has been a key audit partner as set out in paragraph R540.5, the length of the relationship shall, where relevant, include time while the individual was a key audit partner on that engagement at a prior firm. | No Changes |
| R540.20 | Not Present | Where a legislative or regulatory body (or organization authorized or recognized by such legislative or regulatory body) has established a cooling-off period for an engagement partner of less than five consecutive years, the higher of that period or three years may be substituted for the cooling-off period of five consecutive years specified in paragraphs R540.11, R540.15 and R540.17(a) provided that the applicable time-on period does not exceed seven years. | Present in IESBA code 2023 not in 2025 |
| R540.21 | For the duration of the relevant cooling-off period, the individual shall not: (a) Be an engagement team member or perform an engagement quality review, or a review consistent with the objective of an engagement quality review for the audit engagement; (b) Consult with the | For the duration of the relevant cooling-off period, the individual shall not: (a) Be an engagement team member or perform an engagement quality review, or a review consistent with the objective of an engagement quality review for the audit engagement; (b) Consult with the engagement team or the client regarding technical or industry-specific | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | engagement team or the client regarding technical or industry-specific issues, transactions or events affecting the audit engagement (other than discussions with the engagement team limited to work undertaken or conclusions reached in the last year of the individual's time-on period where this remains relevant to the audit); (c) Be responsible for leading or coordinating the professional services provided by the firm or a network firm to the audit client, or overseeing the relationship of the firm or a network firm with the audit client; or (d) Undertake any other role or activity not referred to above with respect to the audit client, including the provision of non-assurance services, that would result in the individual: (i) Having significant or frequent interaction with senior management or those charged with governance; or (ii) Exerting direct influence on the outcome of the audit engagement. | issues, transactions or events affecting the audit engagement (other than discussions with the engagement team limited to work undertaken or conclusions reached in the last year of the individual's time-on period where this remains relevant to the audit); (c) Be responsible for leading or coordinating the professional services provided by the firm or a network firm to the audit client, or overseeing the relationship of the firm or a network firm with the audit client; or (d) Undertake any other role or activity not referred to above with respect to the audit client, including the provision of non-assurance services, that would result in the individual: (i) Having significant or frequent interaction with senior management or those charged with governance; or (ii) Exerting direct influence on the outcome of the audit engagement. | |
| 540.21A1 | The provisions of paragraph R540.21 are not intended to prevent the individual from assuming a leadership role in the firm or a network firm, such as that of the Senior or Managing Partner (Chief Executive or equivalent). | The provisions of paragraph R540.21 are not intended to prevent the individual from assuming a leadership role in the firm or a network firm, such as that of the Senior or Managing Partner (Chief Executive or equivalent). | No Changes |
| 600.1 | Firms are required to comply with the fundamental principles, be independent, and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | Firms are required to comply with the fundamental principles, be independent, and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | No Changes |
| 600.2 | Firms and network firms might provide a range of non-assurance services to their audit clients, consistent with their skills and expertise. Providing non-assurance services to audit clients might create threats to compliance with the fundamental principles and threats to independence. | Firms and network firms might provide a range of non-assurance services to their audit clients, consistent with their skills and expertise. Providing non-assurance services to audit clients might create threats to compliance with the fundamental principles and threats to independence. | No Changes |
| 600.3 | This section sets out requirements and application material relevant to applying the conceptual framework to identify, evaluate and address threats to independence when providing non- assurance services to audit clients. The subsections that follow set out specific requirements and application material that are relevant when a firm or a network firm provides certain types of non-assurance services to audit clients and | This section sets out requirements and application material relevant to applying the conceptual framework to identify, evaluate and address threats to independence when providing non- assurance services to audit clients. The subsections that follow set out specific requirements and application material that are relevant when a firm or a network firm provides certain types of non-assurance services to audit clients and indicate the types of threats that might be created as a result. | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | indicate the types of threats that might be created as a result. | | |
| 600.4 | Some subsections include requirements that expressly prohibit a firm or a network firm from providing certain services to an audit client because the threats created cannot be eliminated and safeguards are not capable of being applied to reduce the threats to an acceptable level. | Some subsections include requirements that expressly prohibit a firm or a network firm from providing certain services to an audit client because the threats created cannot be eliminated and safeguards are not capable of being applied to reduce the threats to an acceptable level. | No Changes |
| 600.5 | New business practices, the evolution of financial markets and changes in technology are some developments that make it impossible to draw up an all-inclusive list of non-assurance services that firms and network firms might provide to an audit client. The conceptual framework and the general provisions in this section apply when a firm proposes to a client to provide a non-assurance service for which there are no specific requirements and application material. | New business practices, the evolution of financial markets and changes in technology are some developments that make it impossible to draw up an all-inclusive list of non-assurance services that firms and network firms might provide to an audit client. The conceptual framework and the general provisions in this section apply when a firm proposes to a client to provide a non-assurance service for which there are no specific requirements and application material. | No Changes |
| 600.6 | The requirements and application material in this section apply where a firm or a network firm: (a) Uses technology to provide a non-assurance service to an audit client; or (b) Provides, sells, resells or licenses technology resulting in the provision of a non-assurance service by the firm or a network firm: (i) To an audit client; or (ii) To an entity that provides services using such technology to audit clients of the firm or network firm. | The requirements and application material in this section apply where a firm or a network firm: (a) Uses technology to provide a non-assurance service to an audit client; or (b) Provides, sells, resells or licenses technology resulting in the provision of a non-assurance service by the firm or a network firm: (i) To an audit client; or (ii) To an entity that provides services using such technology to audit clients of the firm or network firm. | "Changes to the Code" section |
| 600.6A1 | Not Present | Paragraphs R100.6 to 100.7 A1 set out requirements and application material relating to compliance with the Code. If there are laws and regulations in a jurisdiction relating to the provision of non-assurance services to audit clients that differ from or go beyond those set out in this section, firms providing non-assurance services to which such provisions apply need to be aware of those differences and comply with the more stringent provisions. | Only reference issue, it is covered under IESBA 600.7A1 |
| 600.7A1 | Paragraphs R100.6 to 100.7 A1 set out requirements and application material relating to compliance with the Code. If there are laws and regulations in a jurisdiction relating to the provision of non-assurance services to audit clients that differ from or go beyond those set out in this section, firms providing nonassurance services to which | When a firm or a network firm provides a non-assurance service to an audit client, there is a risk that the firm or network firm will assume a management responsibility unless the firm or network firm is satisfied that the requirements in paragraph R400.19 have been complied with. | Only reference issue, it is covered under IESBA 600.8A1<br><br>Only reference issue, it is |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | such provisions apply need to be aware of those differences and comply with the more stringent provisions. | | covered under ICAP 600.7A1 |
| R600.8 | Not Present | Before a firm or a network firm accepts an engagement to provide a non- assurance service to an audit client, the firm shall apply the conceptual framework to identify, evaluate and address any threat to independence that might be created by providing that service. | Only reference issue, it is covered under IESBA 600.9 |
| 600.8A1 | When a firm or a network firm provides a non-assurance service to an audit client, there is a risk that the firm or network firm will assume a management responsibility unless the firm or network firm is satisfied that the requirements in paragraph R400.21 have been complied with. | **Not Present** | Only reference issue, it is covered under ICAP 600.7 |
| R600.9 | Before a firm or a network firm accepts an engagement to provide a non-assurance service to an audit client, the firm shall apply the conceptual framework to identify, evaluate and address any threat to independence that might be created by providing that service. | **Not Present** | Only reference issue, it is covered under ICAP 600.8 |
| 600.9A1 | **Not Present** | A description of the categories of threats that might arise when a firm or a network firm provides a non-assurance service to an audit client is set out in paragraph 120.6 A3. | Only reference issue, it is covered under IESBA 600.10A1 |
| 600.9A2 | **Not Present** | Factors that are relevant in identifying the different threats that might be created by providing a non-assurance service to an audit client, and evaluating the level of such threats include: • The nature, scope, intended use and purpose of the service. • The manner in which the service will be provided, such as the personnel to be involved and their location. • The legal and regulatory environment in which the service is provided. • Whether the client is a public interest entity. • The level of expertise of the client's management and employees with respect to the type of service provided. • The extent to which the client determines significant matters of judgment. (Ref: Para. R400.18 to R400.19). • Whether the outcome of the service will affect the accounting records or matters reflected in the financial statements on which the firm will express an opinion, and, if so: o The extent to which the outcome of the service will have a material effect on the financial statements. | Only reference issue, it is covered under IESBA 600.10A2 |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 600.9A3 | **Not Present** | Subsections 601 to 610 include examples of additional factors that are relevant in identifying threats to independence created by providing certain non-assurance services, and evaluating the level of such threats. | Only reference issue, it is covered under IESBA 600.10A3 |
| 600.10A1 | A description of the categories of threats that might arise when a firm or a network firm provides a non-assurance service to an audit client is set out in paragraph 120.6 A3. | Materiality is a factor that is relevant in evaluating threats created by providing a non- assurance service to an audit client. Subsections 601 to 610 refer to materiality in relation to an audit client's financial statements. The concept of materiality in relation to an audit is addressed in ISA 320, Materiality in Planning and Performing an Audit, and in relation to a review in ISRE 2400 (Revised), Engagements to Review Historical Financial Statements. The determination of materiality involves the exercise of professional judgment and is impacted by both quantitative and qualitative factors. It is also affected by perceptions of the financial information needs of users. | Only reference issue, it is covered under ICAP 600.9A1<br><br>Only reference issue, it is covered under IESBA 600.11A1<br><br>There is error in numbering in ICAP code |
| 600.10A2 | Factors that are relevant in identifying the different threats that might be created by providing a non-assurance service to an audit client, and evaluating the level of such threats include: • The nature, scope, intended use and purpose of the service. • The manner in which the service will be provided, such as the personnel to be involved and their location. • The client's dependency on the service, including the frequency with which the service will be provided. • The legal and regulatory environment in which the service is provided. • Whether the client is a public interest entity. • The level of expertise of the client's management and employees with respect to the type of service provided. • The extent to which the client determines significant matters of judgment. (Ref: Para. R400.20 to R400.21). • Whether the outcome of the service will affect the accounting records or matters reflected in the financial statements on which the firm will express an opinion, and, if so: o The extent to which the outcome of the service will have a material effect on the financial statements. o The degree of subjectivity involved in determining the appropriate amounts or treatment for those matters reflected in the financial statements. • The nature and extent of the impact of the service, if any, on the systems that generate information that forms a significant part of the client's: o Accounting records or financial statements on which the firm will express an | Where the Code expressly prohibits the provision of a non-assurance service to an audit client, a firm or a network firm is not permitted to provide that service, regardless of the materiality of the outcome or results of the non-assurance service on the financial statements on which the firm will express an opinion. | Only reference issue, it is covered under ICAP 600.9A2<br><br>Only reference issue, it is covered under IESBA 600.11A2 |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | opinion. o Internal controls over financial reporting. • The degree of reliance that will be placed on the outcome of the service as part of the audit. • The fee relating to the provision of the non-assurance service. | | |
| 600.10A3 | Subsections 601 to 610 include examples of additional factors that are relevant in identifying threats to independence created by providing certain non-assurance services and evaluating the level of such threats. | **Not Present** | Only reference issue, it is covered under ICAP 600.9A3 |
| 600.11A1 | Materiality is a factor that is relevant in evaluating threats created by providing a non- assurance service to an audit client. Subsections 601 to 610 refer to materiality in relation to an audit client's financial statements. The concept of materiality in relation to an audit is addressed in ISA 320, Materiality in Planning and Performing an Audit, and in relation to a review in ISRE 2400 (Revised), Engagements to Review Historical Financial Statements. The determination of materiality involves the exercise of professional judgment and is impacted by both quantitative and qualitative factors. It is also affected by perceptions of the financial information needs of users. | Providing advice and recommendations might create a self-review threat. Whether providing advice and recommendations creates a self- review threat involves making the determination set out in paragraph R600.14. Where the audit client is not a public interest entity and a self- review threat is identified, the firm is required to apply the conceptual framework to evaluate and address the threat. If the audit client is a public interest entity, paragraphs s R600.16 and R600.17 apply. | Only reference issue, it is covered under IESBA 600.12A1<br><br>Only reference issue, it is covered under ICAP 600.10A1 |
| 600.11A2 | Where the Code expressly prohibits the provision of a non- assurance service to an audit client, a firm or a network firm is not permitted to provide that service, regardless of the materiality of the outcome or results of the non-assurance service on the financial statements on which the firm will express an opinion. | **Not Present** | Only reference issue, it is covered under ICAP 600.10A2 |
| R600.12 | **Not Present** | When a firm or a network firm provides multiple non-assurance services to an audit client, the firm shall consider whether, in addition to the threats created by each service individually, the combined effect of such services creates or impacts threats to independence. | Only reference issue, it is covered under IESBA 600.11A2 |
| 600.12A1 | Providing advice and recommendations might create a self- review threat. Whether providing advice and recommendations creates a self-review threat involves making the determination set out in paragraph R600.15. Where the audit client is not a public interest entity and a self- review threat is identified, the firm is required to apply the conceptual framework to evaluate and address the threat. If the audit client is a | In addition to paragraph 600.9 A2, factors that are relevant in a firm's evaluation of the level of threats to independence created where multiple non-assurance services are provided to an audit client might include whether: • The combined effect of providing multiple services increases the level of threat created by each service assessed individually. • The combined effect of providing multiple services increases the level of any threat | Only reference issue, it is covered under IESBA 600.13A1<br><br>Only reference issue, it is covered under ICAP 600.11A1 |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | public interest entity, paragraphs R600.17 and R600.18 apply. | arising from the overall relationship with the audit client. | |
| R600.13 | When a firm or a network firm provides multiple non-assurance services to an audit client, the firm shall consider whether, in addition to the threats created by each service individually, the combined effect of such services creates or impacts threats to independence. | **Not Present** | Only reference issue, it is covered under ICAP 600.12 |
| 600.13A1 | In addition to paragraph 600.10 A2, factors that are relevant in a firm's evaluation of the level of threats to independence created where multiple non-assurance services are provided to an audit client might include whether: • The combined effect of providing multiple services increases the level of threat created by each service assessed individually. • The combined effect of providing multiple services increases the level of any threat arising from the overall relationship with the audit client. | When a firm or a network firm provides a non-assurance service to an audit client, there might be a risk of the firm auditing its own or the network firm's work, thereby giving rise to a self- review threat. A self- review threat is the threat that a firm or a network firm will not appropriately evaluate the results of a previous judgment made or an activity performed by an individual within the firm or network firm as part of a non-assurance service on which the audit team will rely when forming a judgment as part of an audit. | Only reference issue, it is covered under ICAP 600.12A1<br><br>Only reference issue, it is covered under IESBA 600.14A1 |
| R600.14 | **Not Present** | Before providing a non-assurance service to an audit client, a firm or a network firm shall determine whether the provision of that service might create a self-review threat by evaluating whether there is a risk that: (a) The results of the service will form part of or affect the accounting records, the internal controls over financial reporting, or the financial statements on which the firm will express an opinion; and (b) In the course of the audit of those financial statements on which the firm will express an opinion, the audit team will evaluate or rely on any judgments made or activities performed by the firm or network firm when providing the service. | Only reference issue, it is covered under IESBA 600.15 |
| 600.14A1 | When a firm or a network firm provides a non-assurance service to an audit client, there might be a risk of the firm auditing its own or the network firm's work, thereby giving rise to a self- review threat. A self-review threat is the threat that a firm or a network firm will not appropriately evaluate the results of a previous judgment made or an activity performed by an individual within the firm or network firm as part of a non-assurance service on which the audit team will rely when forming a judgment as part of an audit. | **Not Present** | Only reference issue, it is covered under ICAP 600.13A1 |
| R600.15 | Before providing a non-assurance service to an audit client, a firm or a network firm shall determine whether the provision of that | **Not Present** | Only reference issue, it is |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | service might create a self-review threat by evaluating whether there is a risk that: (a) The results of the service will form part of or affect the accounting records, the internal controls over financial reporting, or the financial statements on which the firm will express an opinion; and (b) In the course of the audit of those financial statements on which the firm will express an opinion, the audit team will evaluate or rely on any judgments made or activities performed by the firm or network firm when providing the service. | | covered under ICAP 600.14 |
| 600.15A1 | Not Present | When the audit client is a public interest entity, stakeholders have heightened expectations regarding the firm's independence. These heightened expectations are relevant to the reasonable and informed third party test used to evaluate a self-review threat created by providing a non-assurance service to an audit client that is a public interest entity. | Only reference issue, it is covered under IESBA 600.16A1 |
| 600.15A2 | **Not Present** | Where the provision of a non-assurance service to an audit client that is a public interest entity creates a self-review threat, that threat cannot be eliminated, and safeguards are not capable of being applied to reduce that threat to an acceptable level. | Only reference issue, it is covered under IESBA 600.16A2 |
| 600.16 | **Not Present** | A firm or a network firm shall not provide a non-assurance service to an audit client that is a public interest entity if the provision of that service might create a self-review threat in relation to the audit of the financial statements on which the firm will express an opinion. (Ref: Para. 600.13 A1 and R600.14). | Only reference issue, it is covered under IESBA 600.17 |
| 600.16A1 | When the audit client is a public interest entity, stakeholders have heightened expectations regarding the firm's independence. These heightened expectations are relevant to the reasonable and informed third party test used to evaluate a self-review threat created by providing a non-assurance service to an audit client that is a public interest entity. | **Not Present** | Only reference issue, it is covered under ICAP 600.15A1 |
| 600.16A2 | Where the provision of a non-assurance service to an audit client that is a public interest entity creates a self-review threat, that threat cannot be eliminated, and safeguards are not capable of being applied to reduce that threat to an acceptable level. | **Not Present** | Only reference issue, it is covered under ICAP 600.15A2 |

**Annexure B**

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| R600.17 | A firm or a network firm shall not provide a non-assurance service to an audit client that is a public interest entity if the provision of that service might create a self-review threat in relation to the audit of the financial statements on which the firm will express an opinion. (Ref: Para. 600.14 A1 and R600.15). | As an exception to paragraph R600.16, a firm or a network firm may provide advice and recommendations to an audit client that is a public interest entity in relation to information or matters arising in the course of an audit provided that the firm: (a) Does not assume a management responsibility (Ref: Para. R400.18 and R400.19); and (b) Applies the conceptual framework to identify, evaluate and address threats, other than self-review threats, to independence that might be created by the provision of that advice. | Only reference issue, it is covered under IESBA 600.18 Only reference issue, it is covered under ICAP 600.16 |
| 600.17A1 | **Not Present** | Examples of advice and recommendations that might be provided in relation to information or matters arising in the course of an audit include: • Advising on accounting and financial reporting standards or policies and financial statement disclosure requirements. • Advising on the appropriateness of financial and accounting control and the methods used in determining the stated amounts in the financial statements and related disclosures. • Proposing adjusting journal entries arising from audit findings. • Discussing findings on internal controls over financial reporting and processes and recommending improvements. • Discussing how to resolve account reconciliation problems. • Advising on compliance with group accounting policies. | Only reference issue, it is covered under IESBA 600.18A1 |
| R600.18 | As an exception to paragraph R600.17, a firm or a network firm may provide advice and recommendations to an audit client that is a public interest entity in relation to information or matters arising in the course of an audit provided that the firm: (a) Does not assume a management responsibility (Ref: Para. R400.20 and R400.21); and (b) Applies the conceptual framework to identify, evaluate and address threats, other than self-review threats, to independence that might be created by the provision of that advice. | **Not Present** | Only reference issue, it is covered under ICAP 600.17 |
| 600.18A1 | Examples of advice and recommendations that might be provided in relation to information or matters arising in the course of an audit include: • Advising on accounting and financial reporting standards or policies and financial statement disclosure requirements. • Advising on the appropriateness of financial and accounting control and the methods used in determining the stated amounts in the financial statements and related disclosures. • Proposing adjusting journal entries arising from audit findings. • Discussing findings on | Paragraphs R120.10 to 120.10 A2 include a requirement and application material that are relevant when addressing threats to independence, including a description of safeguards. | Only reference issue, it is covered under ICAP 600.17A1<br><br>Only reference issue, it is covered under IESBA 600.19A1 |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | internal controls over financial reporting and processes and recommending improvements. • Discussing how to resolve account reconciliation problems. • Advising on compliance with group accounting policies. | | |
| 600.18A2 | **Not Present** | Threats to independence created by providing a non-assurance service or multiple services to an audit client vary depending on the facts and circumstances of the audit engagement and the nature of the service. Such threats might be addressed by applying safeguards or by adjusting the scope of the proposed service. | Only reference issue, it is covered under IESBA 600.19A2 |
| 600.18A3 | **Not Present** | Examples of actions that might be safeguards to address such threats include: • Using professionals who are not audit team members to perform the service. • Having an appropriate reviewer who was not involved in providing the service review the audit work or service performed. • Obtaining pre-clearance of the outcome of the service from an appropriate authority (for example, a tax authority). | Only reference issue, it is covered under IESBA 600.19A3 |
| 600.18A4 | **Not Present** | Safeguards might not be available to reduce the threats created by providing a non-assurance service to an audit client to an acceptable level. In such a situation, the application of the conceptual framework requires the firm or network firm to: (a) Adjust the scope of the proposed service to eliminate the circumstances that are creating the threats; (b) Decline or end the service that creates the threats that cannot be eliminated or reduced to an acceptable level; or (c) End the audit engagement. | Only reference issue, it is covered under IESBA 600.19A4 |
| 600.19A1 | Paragraphs R120.10 to 120.10 A2 include a requirement and application material that are relevant when addressing threats to independence, including a description of safeguards. | Paragraphs 400.40 A1 and 400.40 A2 are relevant to a firm's communication with those charged with governance in relation to the provision of non-assurance services. | Only reference issue, it is covered under IESBA 600.20<br><br>Only reference issue, it is covered under ICAP 600.18A1 |
| 600.19A2 | Threats to independence created by providing a non-assurance service or multiple services to an audit client vary depending on the facts and circumstances of the audit engagement and the nature of the service. Such threats might be | **Not Present** | Only reference issue, it is covered under ICAP 600.18 A2 |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | addressed by applying safeguards or by adjusting the scope of the proposed service. | | |
| 600.19A3 | Examples of actions that might be safeguards to address such threats include: • Using professionals who are not audit team members to perform the service. • Having an appropriate reviewer who was not involved in providing the service review the audit work or service performed. • Obtaining pre-clearance of the outcome of the service from an appropriate authority (for example, a tax authority). | **Not Present** | Only reference issue, it is covered under ICAP 600.18 A3 |
| 600.19A4 | Safeguards might not be available to reduce the threats created by providing a non-assurance service to an audit client to an acceptable level. In such a situation, the application of the conceptual framework requires the firm or network firm to: (a) Adjust the scope of the proposed service to eliminate the circumstances that are creating the threats; (b) Decline or end the service that creates the threats that cannot be eliminated or reduced to an acceptable level; or (c) End the audit engagement. | **Not Present** | Only reference issue, it is covered under ICAP 600.18 A4 |
| 600.20A1 | Paragraphs 400.40 A1 and 400.40 A2 are relevant to a firm's communication with those charged with governance in relation to the provision of non-assurance services. | Paragraphs R600.21 to R600.23 require a firm to communicate with those charged with governance of a public interest entity before the firm or network firm provides non-assurance services to entities within the corporate structure of which the public interest entity forms part that might create threats to the firm's independence from the public interest entity. The purpose of the communication is to enable those charged with governance of the public interest entity to have effective oversight of the independence of the firm that audits the financial statements of that public interest entity. | Only reference issue, it is covered under ICAP 600.19 A1<br><br>Only reference issue, it is covered under IESBA 600.21 A1 |
| 600.20A2 | **Not Present** | To facilitate compliance with such requirements, a firm might agree with those charged with governance of the public interest entity a process that addresses when and with whom the firm is to communicate. Such a process might: • Establish the procedure for the provision of information about a proposed non-assurance service which might be on an individual engagement basis, under a general policy, or on any other agreed basis.• Identify the entities to which the process would apply, which might include other public interest entities within the corporate structure.<br>• Identify any services that can be provided to the entities identified in paragraph R600.21 without specific approval of those charged with governance | Only reference issue, it is covered under IESBA 600.21 A2 |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | | if they agree as a general policy that these services are not prohibited under this section and would not create threats to the firm's independence or, if any such threats are created, they would be at an acceptable level.• Establish how those charged with governance of multiple public interest entities within the same corporate structure have determined that authority for approving services is to be allocated.• Establish a procedure to be followed where the provision of information necessary for those charged with governance to evaluate whether a proposed service might create a threat to the firm's independence is prohibited or limited by professional standards, laws or regulations, or might result in the disclosure of sensitive or confidential information.• Specify how any issues not covered by the process might be resolved. Inform those charged with governance of the public interest entity that the firm has determined that the provision of the service:(i) Is not prohibited; and (ii) Will not create a threat to the firm's independence as auditor of the public interest entity or that any identified threat is at an acceptable level or, if not, will be eliminated or reduced to an acceptable level; and (b) Provide those charged with governance of the public interest entity with information to enable them to make an informed assessment about the impact of the provision of the service on the firm's independence. | |
| R600.21 | **Not Present** | Before a firm that audits the financial statements of a public interest entity, or a network firm accepts an engagement to provide a non assurance service to: (A) That public interest entity; (B) Any entity that controls, directly or indirectly, that public interest entity; or (C) Any entity that is controlled directly or indirectly by that public interest entity ,the firm shall, unless already addressed when establishing a process agreed with those charged with governance:<br>(a) Inform those charged with governance of the public interest entity that the firm has determined that the provision of the service:<br>(i) Is not prohibited; and<br>(ii) Will not create a threat to the firm's independence as auditor of the public interest entity or that any identified threat is at an acceptable level or, if not, will be eliminated or reduced to an acceptable level; and<br>(b) Provide those charged with governance of the public interest entity with information to enable them to make an informed assessment about the impact of the provision of the service on the firm's independence. | Only reference issue, it is covered under IESBA 600.22 |
| 600.21A1 | Paragraphs R600.22 to R600.24 require a firm to communicate with those charged with | Examples of information that might be provided to those charged with governance of the public interest | Only reference issue, it is |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | governance of a public interest entity before the firm or network firm provides non-assurance services to entities within the corporate structure of which the public interest entity forms part that might create threats to the firm's independence from the public interest entity. The purpose of the communication is to enable those charged with governance of the public interest entity to have effective oversight of the independence of the firm that audits the financial statements of that public interest entity. | entity in relation to a particular non- assurance service include: • The nature and scope of the service to be provided. • The basis and amount of the proposed fee. • Where the firm has identified any threats to independence that might be created by the provision of the proposed service, the basis for the firm's assessment that the threats are at an acceptable level or, if not, the actions the firm or network firm will take to eliminate or reduce any threats to independence to an acceptable level. • Whether the combined effect of providing multiple services creates threats to independence or changes the level of previously identified threats. | covered under IESBA 600.22A1<br><br>Only reference issue, it is covered under ICAP 600.20A1 |
| 600.21A2 | To facilitate compliance with such requirements, a firm might agree with those charged with governance of the public interest entity a process that addresses when and with whom the firm is to communicate. Such a process might: • Establish the procedure for the provision of information about a proposed non-assurance service which might be on an individual engagement basis, under a general policy, or on any other agreed basis. • Identify the entities to which the process would apply, which might include other public interest entities within the corporate structure. • Identify any services that can be provided to the entities identified in paragraph R600.22 without specific approval of those charged with governance if they agree as a general policy that these services are not prohibited under this section and would not create threats to the firm's independence or, if any such threats are created, they would be at an acceptable level. • Establish how those charged with governance of multiple public interest entities within the same corporate structure have determined that authority for approving services is to be allocated. • Establish a procedure to be followed where the provision of information necessary for those charged with governance to evaluate whether a proposed service might create a threat to the firm's independence is prohibited or limited by professional standards, laws or regulations, or might result in the disclosure of sensitive or confidential information. • Specify how any issues not covered by the process might be resolved. | **Not Present** | Only reference issue, it is covered under ICAP 600.20 A2 |
| R600.22 | Before a firm that audits the financial statements of a public interest entity, or a | A firm or a network firm shall not provide a non-assurance service to any of the entities referred to in | Only reference issue, it is |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | network firm accepts an engagement to provide a non-assurance service to: (A) That public interest entity; (B) Any entity that controls, directly or indirectly, that public interest entity; or (C) Any entity that is controlled directly or indirectly by that public interest entity, the firm shall, unless already addressed when establishing a process agreed with those charged with governance: (a) Inform those charged with governance of the public interest entity that the firm has determined that the provision of the service: (i) Is not prohibited; and (ii) Will not create a threat to the firm's independence as auditor of the public interest entity or that any identified threat is at an acceptable level or, if not, will be eliminated or reduced to an acceptable level; and (b) Provide those charged with governance of the public interest entity with information to enable them to make an informed assessment about the impact of the provision of the service on the firm's independence. | paragraph R600.21 unless those charged with governance of the public interest entity have concurred either under a process agreed with those charged with governance or in relation to a specific service with: (a) The firm's conclusion that the provision of the service will not create a threat to the firm's independence as auditor of the public interest entity, or that any identified threat is at an acceptable level or, if not, will be eliminated, or reduced to an acceptable level; and (b) The provision of that service. | covered under IESBA 600.23<br><br>Only reference issue, it is covered under ICAP 600.21 |
| 600.22A1 | Examples of information that might be provided to those charged with governance of the public interest entity in relation to a particular non-assurance service include: • The nature and scope of the service to be provided. • The basis and amount of the proposed fee. • Where the firm has identified any threats to independence that might be created by the provision of the proposed service, the basis for the firm's assessment that the threats are at an acceptable level or, if not, the actions the firm or network firm will take to eliminate or reduce any threats to independence to an acceptable level. • Whether the combined effect of providing multiple services creates threats to independence or changes the level of previously identified threats. | **Not Present** | Only reference issue, it is covered under ICAP 600.21 A1 |
| R600.23 | A firm or a network firm shall not provide a non-assurance service to any of the entities referred to in paragraph R600.22 unless those charged with governance of the public interest entity have concurred either under a process agreed with those charged with governance or in relation to a specific service with: (a) The firm's conclusion that the provision of the service will not create a threat to the firm's independence as auditor of the public interest entity, or that any identified threat is at an acceptable level or, if not, will be eliminated, or reduced to an | As an exception to paragraphs R600.21 and R600.22, where a firm is prohibited by applicable professional standards, laws or regulations from providing information about the proposed non-assurance service to those charged with governance of the public interest entity, or where the provision of such information would result in disclosure of sensitive or confidential information, the firm may provide the proposed service provided that: (a) The firm provides such information as it is able without breaching its legal or professional obligations; (b) The firm informs those charged with governance of the public interest entity that the | Only reference issue, it is covered under IESBA 600.24<br><br>Only reference issue, it is covered under ICAP 600.22 |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | acceptable level; and (b) The provision of that service. | provision of the service will not create a threat to the firm's independence from the public interest entity, or that any identified threat is at an acceptable level or, if not, will be eliminated or reduced to an acceptable level; and; (c) Those charged with governance do not disagree with the firm's conclusion in (b). | |
| R600.24 | As an exception to paragraphs R600.22 and R600.23, where a firm is prohibited by applicable professional standards, laws or regulations from providing information about the proposed nonassurance service to those charged with governance of the public interest entity, or where the provision of such information would result in disclosure of sensitive or confidential information, the firm may provide the proposed service provided that: (a) The firm provides such information as it is able without breaching its legal or professional obligations; (b) The firm informs those charged with governance of the public interest entity that the provision of the service will not create a threat to the firm's independence from the public interest entity, or that any identified threat is at an acceptable level or, if not, will be eliminated or reduced to an acceptable level; and (c) Those charged with governance do not disagree with the firm's conclusion in (b) | The firm or the network firm, having taken into account any matters raised by those charged with governance of the audit client that is a public interest entity or by the entity referred to in paragraph R600.21 that is the recipient of the proposed service, shall decline the nonassurance service or the firm shall end the audit engagement if: (a) The firm or the network firm is not permitted to provide any information to those charged with governance of the audit client that is a public interest entity, unless such a situation is addressed in a process agreed in advance with those charged with governance; or (b) Those charged with governance of an audit client that is a public interest entity disagree with the firm's conclusion that the provision of the service will not create a threat to the firm's independence from the client or that any identified threat is at an acceptable level or, if not, will be eliminated or reduced to an acceptable level. | Only reference issue, it is covered under IESBA 600.25<br><br>Only reference issue, it is covered under ICAP 600.23 |
| R600.25 | The firm or the network firm, having taken into account any matters raised by those charged with governance of the audit client that is a public interest entity or by the entity referred to in paragraph R600.22 that is the recipient of the proposed service, shall decline the non- assurance service or the firm shall end the audit engagement if: (a) The firm or the network firm is not permitted to provide any information to those charged with governance of the audit client that is a public interest entity, unless such a situation is addressed in a process agreed in advance with those charged with governance; or (b) Those charged with governance of an audit client that is a public interest entity disagree with the firm's conclusion that the provision of the service will not create a threat to the firm's independence from the client or that any identified threat is at an acceptable level or, if not, will be eliminated or reduced to an acceptable level. | A non-assurance service provided, either currently or previously, by a firm or a network firm to an audit client compromises the firm's independence when the client becomes a public interest entity unless: (a) The previous non-assurance service complies with the provisions of this section that relate to audit clients that are not public interest entities; (b)Non-assurance services currently in progress that are not permitted under this section for audit clients that are public interest entities are ended before or, if that is not possible, as soon as practicable after, the client becomes a public interest entity; and (c) The firm and those charged with governance of the client that becomes a public interest entity agree and take further actions to address any threats to independence that are not at an acceptable level. | Only reference issue, it is covered under IESBA 600.26<br><br>Only reference issue, it is covered under ICAP 600.24 |
| 600.25A1 | **Not Present** | Examples of actions that the firm might recommend to the audit client include engaging another firm to: • | Only reference issue, it is |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | | Review or re-perform the affected audit work to the extent necessary. • Evaluate the results of the non-assurance service or re-perform the non-assurance service to the extent necessary to enable the other firm to take responsibility for the service. | covered under IESBA 600.26 A1 |
| R600.26 | A non-assurance service provided, either currently or previously, by a firm or a network firm to an audit client compromises the firm's independence when the client becomes a public interest entity unless: (a) The previous non-assurance service complies with the provisions of this section that relate to audit clients that are not public interest entities; (b) Non-assurance services currently in progress that are not permitted under this section for audit clients that are public interest entities are ended before or, if that is not possible, as soon as practicable after, the client becomes a public interest entity; and (c) The firm and those charged with governance of the client that becomes a public interest entity agree and take further actions to address any threats to independence that are not at an acceptable level. | This section includes requirements that prohibit firms and network firms from providing certain non-assurance services to audit clients. As an exception to those requirements and the requirement in paragraph R400.18, a firm or a network firm may assume management responsibilities or provide certain non-assurance services that would otherwise be prohibited to the following related entities of the client on whose financial statements the firm will express an opinion:(a) An entity that has direct or indirect control over the client; (b) An entity with a direct financial interest in the client if that entity has significant influence over the client and the interest in the client is material to such entity; or(c) An entity which is under common control with the client, provided that all of the following conditions are met: (i) The firm or a network firm does not express an opinion on the financial statements of the related entity; (ii) The firm or a network firm does not assume a management responsibility, directly or indirectly, for the entity on whose financial statements the firm will express an opinion; (iii) The services do not create a self-review threat; and (iv) The firm addresses other threats created by providing such services that are not at an acceptable level. | Only reference issue, it is covered under IESBA 600.27<br><br>Only reference issue, it is covered under ICAP 600.25a |
| 600.26A1 | Examples of actions that the firm might recommend to the audit client include engaging another firm to: • Review or re-perform the affected audit work to the extent necessary. • Evaluate the results of the non-assurance service or reperform the non-assurance service to the extent necessary to enable the other firm to take responsibility for the service. | **Not Present** | Only reference issue, it is covered under ICAP 600.25 A1 |
| R600.27 | This section includes requirements that prohibit firms and network firms from providing certain non- assurance services to audit clients. As an exception to those requirements and the requirement in paragraph R400.20, a firm or a network firm may assume management responsibilities or provide certain non- assurance services that would otherwise be prohibited to the following related entities of the client on whose financial statements the firm will express an opinion: (a) An entity that has direct or indirect control over the client; (b) | **Not Present** | Only reference issue, it is covered under ICAP 600.26 |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | An entity with a direct financial interest in the client if that entity has significant influence over the client and the interest in the client is material to such entity; or (c) An entity which is under common control with the client, provided that all of the following conditions are met: (i) The firm or a network firm does not express an opinion on the financial statements of the related entity; (ii) The firm or a network firm does not assume a management responsibility, directly or indirectly, for the entity on whose financial statements the firm will express an opinion; (iii) The services do not create a self-review threat; and (iv) The firm addresses other threats created by providing such services that are not at an acceptable level. | | |
| 600.27A1 | **Not Present** | Documentation of the firm's conclusions regarding compliance with this section in accordance with paragraphs R400.60 and 400.60 A1 might include: • Key elements of the firm's understanding of the nature of the non-assurance service to be provided and whether and how the service might impact the financial statements on which the firm will express an opinion. • The nature of any threat to independence that is created by providing the service to the audit client, including whether the results of the service will be subject to audit procedures. • The extent of management's involvement in the provision and oversight of the proposed non-assurance service. • Any safeguards that are applied, or other actions taken to address a threat to independence. • The firm's rationale for determining that the service is not prohibited and that any identified threat to independence is at an acceptable level. • In relation to the provision of a proposed non-assurance service to the entities referred to in paragraph R600.21, the steps taken to comply with paragraphs R600.21 to R600.23. | Only reference issue, it is covered under IESBA 600.28A1 |
| 600.28A1 | Documentation of the firm's conclusions regarding compliance with this section in accordance with paragraphs R400.60 and 400.60 A1 might include: • Key elements of the firm's understanding of the nature of the non-assurance service to be provided and whether and how the service might impact the financial statements on which the firm will express an opinion. • The nature of any threat to independence that is created by providing the service to the audit client, including whether the results of the service will be subject to audit procedures. • The extent of management's involvement in the provision and oversight of the proposed non- | **Not Present** | Only reference issue, it is covered under ICAP 600.27A1 |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | assurance service. • Any safeguards that are applied, or other actions taken to address a threat to independence. • The firm's rationale for determining that the service is not prohibited and that any identified threat to independence is at an acceptable level. • In relation to the provision of a proposed non-assurance service to the entities referred to in paragraph R600.22, the steps taken to comply with paragraphs R600.22 to R600.24. | | |
| 601.1 | In addition to the specific requirements and application material in this subsection, the requirements and application material in paragraphs 600.1 to 600.28 A1 are relevant to applying the conceptual framework when providing accounting and bookkeeping services to an audit client. | In addition to the specific requirements and application material in this subsection, the requirements and application material in paragraphs 600.1 to 600.27 A1 are relevant to applying the conceptual framework when providing accounting and bookkeeping services to an audit client. | Reference difference |
| 601.2A1 | Management is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework. These responsibilities include: • Determining accounting policies and the accounting treatment in accordance with those policies. • Preparing or changing source documents or originating data, in electronic or other form, evidencing the occurrence of a transaction. Examples include: Purchase orders. o Payroll time records. o Customer orders. o • Originating or changing journal entries. • Determining or approving the account classifications of transactions. | Management is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework. These responsibilities include: • Determining accounting policies and the accounting treatment in accordance with those policies. • Preparing or changing source documents or originating data, in electronic or other form, evidencing the occurrence of a transaction. Examples include: o Purchase orders Payroll time records. Customer orders• Originating or changing journal entries. • Determining or approving the account classifications of transactions. | No Changes |
| 601.3A1 | Accounting and bookkeeping services comprise a broad range of services including: • Preparing accounting records or financial statements. • Recording transactions. • Providing payroll services. • Resolving account reconciliation problems. • Converting existing financial statements from one financial reporting framework to another. | Accounting and bookkeeping services comprise a broad range of services including: • Preparing accounting records or financial statements. • Recording transactions.• Providing payroll services.• Resolving account reconciliation problems. • Converting existing financial statements from one financial reporting framework to another. | No Changes |
| 601.4A1 | Providing accounting and bookkeeping services to an audit client creates a self-review threat when there is a risk that the results of the services will affect the accounting records or the financial statements on which the firm will express an opinion. | Providing accounting and bookkeeping services to an audit client creates a self-review threat when there is a risk that the results of the services will affect the accounting records or the financial statements on which the firm will express an opinion. | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| R601.5 | A firm or a network firm shall not provide to an audit client that is not a public interest entity accounting and bookkeeping services, including preparing financial statements on which the firm will express an opinion or financial information which forms the basis of such financial statements, unless: (a) The services are of a routine or mechanical nature; and (b) The firm addresses any threats that are not at an acceptable level. | A firm or a network firm shall not provide to an audit client that is not a public interest entity accounting and bookkeeping services, including preparing financial statements on which the firm will express an opinion or financial information which forms the basis of such financial statements, unless: (a) The services are of a routine or mechanical nature; and (b) The firm addresses any threats that are not at an acceptable level. | No Changes |
| 601.5A1 | Accounting and bookkeeping services that are routine or mechanical: (a) Involve information, data or material in relation to which the client has made any judgments or decisions that might be necessary; and (b) Require little or no professional judgment. | Accounting and bookkeeping services that are routine or mechanical: (a) Involve information, data or material in relation to which the client has made any judgments or decisions that might be necessary; and (b) Require little or no professional judgment. | No Changes |
| 601.5A2 | Accounting and bookkeeping services can either be manual or automated. In determining whether an automated service is routine or mechanical, factors to be considered include the activities performed by, and the output of, the technology, and whether the technology provides an automated service that is based on or requires the expertise or judgment of the firm or network firm. | Examples of services that might be regarded as routine or mechanical include: • Preparing payroll calculations or reports based on client- originated data for approval and payment by the client. • Recording recurring transactions for which amounts are easily determinable from source documents or originating data, such as a utility bill where the client has determined or approved the appropriate account classification. • Calculating depreciation on fixed assets when the client determines the accounting policy and estimates of useful life and residual values. • Posting transactions coded by the client to the general ledger. • Posting client-approved entries to the trial balance. • Preparing financial statements based on information in the client-approved trial balance and preparing related notes based on client-approved records. | Only reference issue, it is covered under IESBA 600.28A1<br><br>Covered under ““Changes to the Code” ” |
| 601.5A3 | Examples of services, whether manual or automated, that might be regarded as routine or mechanical include: • Preparing payroll calculations or reports based on client- originated data for approval and payment by the client. • Recording recurring transactions for which amounts are easily determinable from source documents or originating data, such as a utility bill where the client has determined or approved the appropriate account classification. • Calculating depreciation on fixed assets when the client determines the accounting policy and estimates of useful life and residual values. • Posting transactions coded by the client to the general ledger. • Posting client-approved entries to the trial balance. • Preparing financial statements based on information in the client-approved trial balance and preparing related notes | Examples of actions that might be safeguards to address a self-review threat created when providing accounting and bookkeeping services of a routine or mechanical nature to an audit client that is not a public interest entity include: • Using professionals who are not audit team members to perform the service.• Having an appropriate reviewer who was not involved in providing the service review the audit work or service performed. | Only reference issue, it is covered under IESBA 601.5A4<br><br>Covered under ““Changes to the Code” ”section |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | based on client-approved records. The firm or a network firm may provide such services to audit clients that are not public interest entities provided that the firm or network firm complies with the requirements of paragraph R400.21 to ensure that it does not assume a management responsibility in connection with the service and with the requirement in paragraph R601.5 (b). | | |
| 601.5A4 | Examples of actions that might be safeguards to address a self- review threat created when providing accounting and bookkeeping services of a routine or mechanical nature to an audit client that is not a public interest entity include: • Using professionals who are not audit team members to perform the service. • Having an appropriate reviewer who was not involved in providing the service review the audit work or service performed. | **Not Present** | Only reference issue, it is covered under ICAP 601.5A3 |
| R601.6 | A firm or a network firm shall not provide accounting and bookkeeping services to an audit client that is a public interest entity. | A firm or a network firm shall not provide accounting and bookkeeping services to an audit client that is a public interest entity. | No Changes |
| R601.7 | As an exception to paragraph R601.6, a firm or a network firm may prepare statutory financial statements for a related entity of a public interest entity audit client included in subparagraph (c) or (d) of the definition of a related entity provided that: (a) The audit report on the group financial statements of the public interest entity has been issued; (b) The firm or network firm does not assume management responsibility and applies the conceptual framework to identify, evaluate and address threats to independence; (c) The firm or network firm does not prepare the accounting records underlying the statutory financial statements of the related entity and those financial statements are based on client approved information; and (d) The statutory financial statements of the related entity will not form the basis of future group financial statements of that public interest entity. | As an exception to paragraph R601.6, a firm or a network firm may prepare statutory financial statements for a related entity of a public interest entity audit client included in subparagraph (c) or (d) of the definition of a related entity provided that: (a) The audit report on the group financial statements of the public interest entity has been issued; (b) The firm or network firm does not assume management responsibility and applies the conceptual framework to identify, evaluate and address threats to independence; (c) The firm or network firm does not prepare the accounting records underlying the statutory financial statements of the related entity and those financial statements are based on client approved information; and (d) The statutory financial statements of the related entity will not form the basis of future group financial statements of that public interest entity. | No Changes |
| 602.1 | In addition to the specific application material in this subsection, the requirements and application material in paragraphs 600.1 to 600.28 A1 are relevant to applying the conceptual framework when providing administrative services. | In addition to the specific application material in this subsection, the requirements and application material in paragraphs 600.1 to 600.28 A1 are relevant to applying the conceptual framework when providing administrative services. | No Changes |

**Annexure B**

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| 602.2A1 | Administrative services involve assisting clients with their routine or mechanical tasks within the normal course of operations. | Administrative services involve assisting clients with their routine or mechanical tasks within the normal course of operations. | No Changes |
| 602.2A2 | Examples of administrative services include: • Word processing or document formatting. • Preparing administrative or statutory forms for client approval. • Submitting such forms as instructed by the client. • Monitoring statutory filing dates and advising an audit client of those dates. | Examples of administrative services include: • Word processing or document formatting. • Preparing administrative or statutory forms for client approval. • Submitting such forms as instructed by the client. • Monitoring statutory filing dates and advising an audit client of those dates. | No Changes |
| 602.3A1 | Providing administrative services to an audit client does not usually create a threat when such services are clerical in nature and require little to no professional judgment. | Providing administrative services to an audit client does not usually create a threat when such services are clerical in nature and require little to no professional judgment. | No Changes |
| 603.1 | In addition to the specific requirements and application material in this subsection, the requirements and application material in paragraphs 600.1 to 600.28 A1 are relevant to applying the conceptual framework when providing valuation services to an audit client. | In addition to the specific requirements and application material in this subsection, the requirements and application material in paragraphs 600.1 to 600.27 A1 are relevant to applying the conceptual framework when providing valuation services to an audit client. | Reference difference |
| 603.2A1 | A valuation comprises the making of assumptions with regard to future developments, the application of appropriate methodologies and techniques and the combination of both to compute a certain value, or range of values, for an asset, a liability or for the whole or part of an entity. | A valuation comprises the making of assumptions with regard to future developments, the application of appropriate methodologies and techniques and the combination of both to compute a certain value, or range of values, for an asset, a liability or for the whole or part of an entity. | No Changes |
| 603.2A2 | If a firm or a network firm is requested to perform a valuation to assist an audit client with its tax reporting obligations or for tax planning purposes and the results of the valuation have no effect on the accounting records or the financial statements other than through accounting entries related to tax, the requirements and application material set out in paragraphs 604.17 A1 to 604.19 A1, relating to such services, apply. | If a firm or a network firm is requested to perform a valuation to assist an audit client with its tax reporting obligations or for tax planning purposes and the results of the valuation have no effect on the accounting records or the financial statements other than through accounting entries related to tax, the requirements and application material set out in paragraphs 604.17 A1 to 604.19 A1, relating to such services, apply. | No Changes |
| 603.3A1 | Providing a valuation service to an audit client might create a self-review threat when there is a risk that the results of the service will affect the accounting records or the financial statements on which the firm will express an opinion. Such a service might also create an advocacy threat. | Providing a valuation service to an audit client might create a self- review threat when there is a risk that the results of the service will affect the accounting records or the financial statements on which the firm will express an opinion. Such a service might also create an advocacy threat. | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| 603.3A2 | Factors that are relevant in identifying self-review or advocacy threats created by providing valuation services to an audit client, and evaluating the level of such threats include: • The use and purpose of the valuation report. • Whether the valuation report will be made public. • The extent to which the valuation methodology is supported by law or regulation, other precedent or established practice. • The extent of the client's involvement in determining and approving the valuation methodology and other significant matters of judgment. • The degree of subjectivity inherent in the item for valuations involving standard or established methodologies. • Whether the valuation will have a material effect on the financial statements. • The extent of the disclosures related to the valuation in the financial statements. • The volatility of the amounts involved as a result of dependence on future events. When a self-review threat for an audit client that is a public interest entity has been identified, paragraph R603.5 applies. | Factors that are relevant in identifying self-review or advocacy threats created by providing valuation services to an audit client, and evaluating the level of such threats include: • The use and purpose of the valuation report. • Whether the valuation report will be made public. • The extent to which the valuation methodology is supported by law or regulation, other precedent or established practice. • The extent of the client's involvement in determining and approving the valuation methodology and other significant matters of judgment. • The degree of subjectivity inherent in the item for valuations involving standard or established methodologies. • Whether the valuation will have a material effect on the financial statements. • The extent of the disclosures related to the valuation in the financial statements. • The volatility of the amounts involved as a result of dependence on future events. When a self-review threat for an audit client that is a public interest entity has been identified, paragraph R603.5 applies. | No Changes |
| 603.3A3 | Examples of actions that might be safeguards to address self- review or advocacy threats created by providing a valuation service to an audit client that is not a public interest entity include: • Using professionals who are not audit team members to perform the service might address self-review or advocacy threats. • Having an appropriate reviewer who was not involved in providing the service review the audit work or service performed might address a self-review threat. | Examples of actions that might be safeguards to address self-review or advocacy threats created by providing a valuation service to an audit client that is not a public interest entity include: • Using professionals who are not audit team members to perform the service might address self-review or advocacy threats. • Having an appropriate reviewer who was not involved in providing the service review the audit work or service performed might address a self-review threat. | No Changes |
| R603.4 | A firm or a network firm shall not provide a valuation service to an audit client that is not a public interest entity if: (a) The valuation involves a significant degree of subjectivity; and (b) The valuation will have a material effect on the financial statements on which the firm will express an opinion. | A firm or a network firm shall not provide a valuation service to an audit client that is not a public interest entity if: (a) The valuation involves a significant degree of subjectivity; and (b) The valuation will have a material effect on the financial statements on which the firm will express an opinion. | No Changes |
| 603.4A1 | Certain valuations do not involve a significant degree of subjectivity. This is likely to be the case when the underlying assumptions are established by law or regulation or when the techniques and methodologies to be used are based on generally accepted standards or prescribed by law or regulation. In such circumstances, the results of a valuation performed by two | Certain valuations do not involve a significant degree of subjectivity. This is likely to be the case when the underlying assumptions are established by law or regulation or when the techniques and methodologies to be used are based on generally accepted standards or prescribed by law or regulation. In such circumstances, the results of a valuation performed by two or more parties are not likely to be materially different. | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | or more parties are not likely to be materially different. | | |
| R603.5 | A firm or a network firm shall not provide a valuation service to an audit client that is a public interest entity if the provision of such valuation service might create a self-review threat. (Ref: Para. R600.15 and R600.17). | A firm or a network firm shall not provide a valuation service to an audit client that is a public interest entity if the provision of such valuation service might create a self-review threat. (Ref: Para. R600.14 and R600.16). | Reference difference |
| 603.5A1 | An example of an action that might be a safeguard to address an advocacy threat created by providing a valuation service to an audit client that is a public interest entity is using professionals who are not audit team members to perform the service. | In addition to the specific requirements and application material in this subsection, the requirements and application material in paragraphs 600.1 to 600.27 A1 are relevant to applying the conceptual framework when providing a tax service to an audit client. | |
| 604.1 | In addition to the specific requirements and application material in this subsection, the requirements and application material in paragraphs 600.1 to 600.28 A1 are relevant to applying the conceptual framework when providing a tax service to an audit client. | In addition to the specific requirements and application material in this subsection, the requirements and application material in paragraphs 600.1 to 600.28 A1 are relevant to applying the conceptual framework when providing a tax service to an audit client. | No Changes |
| 604.2A1 | Tax services comprise a broad range of services. This subsection deals specifically with: • Tax return preparation. • Tax calculations for the purpose of preparing accounting entries. • Tax advisory services. • Tax planning services. • Tax services involving valuations. • Assistance in the resolution of tax disputes. | Tax services comprise a broad range of services. This subsection deals specifically with: • Tax return preparation. • Tax calculations for the purpose of preparing accounting entries. • Tax advisory services. • Tax planning services. • Tax services involving valuations. • Assistance in the resolution of tax disputes. | No Changes |
| 604.2A2 | It is possible to consider tax services under broad headings, such as tax planning or compliance. However, such services are often interrelated in practice and might be combined with other types of non-assurance services provided by the firm such as corporate finance services. It is, therefore, impracticable to categorize generically the threats to which specific tax services give rise. | It is possible to consider tax services under broad headings, such as tax planning or compliance. However, such services are often interrelated in practice and might be combined with other types of non-assurance services provided by the firm such as corporate finance services. It is, therefore, impracticable to categorize generically the threats to which specific tax services give rise. | No Changes |
| 604.3A1 | Providing tax services to an audit client might create a self- review threat when there is a risk that the results of the services will affect the accounting records or the financial statements on which the firm will express an opinion. Such services might also create an advocacy threat. | Providing tax services to an audit client might create a self-review threat when there is a risk that the results of the services will affect the accounting records or the financial statements on which the firm will express an opinion. Such services might also create an advocacy threat. | No Changes |
| 604.3A2 | Factors that are relevant in identifying self-review or advocacy threats created by providing any tax service to an audit client, | Factors that are relevant in identifying self-review or advocacy threats created by providing any tax service to an audit client, and evaluating the level of | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| | and evaluating the level of such threats include: • The particular characteristics of the engagement. • The level of tax expertise of the client's employees. • The system by which the tax authorities assess and administer the tax in question and the role of the firm or network firm in that process. • The complexity of the relevant tax regime and the degree of judgment necessary in applying it. | such threats include: • The particular characteristics of the engagement. • The level of tax expertise of the client's employees. • The system by which the tax authorities assess and administer the tax in question and the role of the firm or network firm in that process. • The complexity of the relevant tax regime and the degree of judgment necessary in applying it. | |
| R604.4 | A firm or a network firm shall not provide a tax service or recommend a transaction to an audit client if the service or transaction relates to marketing, planning, or opining in favor of a tax treatment that was initially recommended, directly or indirectly, by the firm or network firm, and a significant purpose of the tax treatment or transaction is tax avoidance, unless the firm is confident that the proposed treatment has a basis in applicable tax law or regulation that is likely to prevail. | A firm or a network firm shall not provide a tax service or recommend a transaction to an audit client if the service or transaction relates to marketing, planning, or opining in favor of a tax treatment that was initially recommended, directly or indirectly, by the firm or network firm, and a significant purpose of the tax treatment or transaction is tax avoidance, unless the firm is confident that the proposed treatment has a basis in applicable tax law or regulation that is likely to prevail. | No Changes |
| 604.4A1 | Unless the tax treatment has a basis in applicable tax law or regulation that the firm is confident is likely to prevail, providing the non-assurance service described in paragraph R604.4 creates self-interest, self-review and advocacy threats that cannot be eliminated and safeguards are not capable of being applied to reduce such threats to an acceptable level. | Unless the tax treatment has a basis in applicable tax law or regulation that the firm is confident is likely to prevail, providing the non- assurance service described in paragraph R604.4 creates self-interest, self-review and advocacy threats that cannot be eliminated and safeguards are not capable of being applied to reduce such threats to an acceptable level. | No Changes |
| 604.5A1 | Tax return preparation services include: • Assisting clients with their tax reporting obligations by drafting and compiling information, including the amount of tax due (usually on standardized forms) required to be submitted to the applicable tax authorities. • Advising on the tax return treatment of past transactions. • Responding on behalf of the audit client to the tax authorities' requests for additional information and analysis (for example, providing explanations of and technical support for the approach being taken). | Tax return preparation services include: • Assisting clients with their tax reporting obligations by drafting and compiling information, including the amount of tax due (usually on standardized forms) required to be submitted to the applicable tax authorities. • Advising on the tax return treatment of past transactions. • Responding on behalf of the audit client to the tax authorities' requests for additional information and analysis (for example, providing explanations of and technical support for the approach being taken). | No Changes |
| 604.6A1 | Providing tax return preparation services does not usually create a threat because: (a) Tax return preparation services are based on historical information and principally involve analysis and presentation of such historical information under existing tax law, including precedents and established | Providing tax return preparation services does not usually create a threat because: (a) Tax return preparation services are based on historical information and principally involve analysis and presentation of such historical information under existing tax law, including precedents and established practice; and (b) Tax returns are subject | No Change– however, wrongly numbered. |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| | practice; and (b) Tax returns are subject to whatever review or approval process the tax authority considers appropriate. | to whatever review or approval process the tax authority considers appropriate. | |
| 604.7A1 | Tax calculation services involves the preparation of calculations of current and deferred tax liabilities or assets for the purpose of preparing accounting entries supporting tax assets or liabilities in the financial statements of the audit client. | Tax calculation services involves the preparation of calculations of current and deferred tax liabilities or assets for the purpose of preparing accounting entries supporting tax assets or liabilities in the financial statements of the audit client. | No Changes |
| 604.8A1 | Preparing tax calculations of current and deferred tax liabilities (or assets) for an audit client for the purpose of preparing accounting entries that support such balances creates a self- review threat. | Preparing tax calculations of current and deferred tax liabilities (or assets) for an audit client for the purpose of preparing accounting entries that support such balances creates a self- review threat. | No Changes |
| 604.9A1 | In addition to the factors in paragraph 604.3 A2, a factor that is relevant in evaluating the level of self-review threat created when preparing such calculations for an audit client is whether the calculation might have a material effect on the financial statements on which the firm will express an opinion. | In addition to the factors in paragraph 604.3 A2, a factor that is relevant in evaluating the level of self-review threat created when preparing such calculations for an audit client is whether the calculation might have a material effect on the financial statements on which the firm will express an opinion. | No Changes |
| 604.9A2 | Examples of actions that might be safeguards to address such a self-review threat when the audit client is not a public interest entity include: • Using professionals who are not audit team members to perform the service. • Having an appropriate reviewer who was not involved in providing the service review the audit work or service performed. | Examples of actions that might be safeguards to address such a self-review threat when the audit client is not a public interest entity include:• Using professionals who are not audit team members to perform the service.• Having an appropriate reviewer who was not involved in providing the service review the audit work or service performed. | No Changes |
| R604.10 | A firm or a network firm shall not prepare tax calculations of current and deferred tax liabilities (or assets) for an audit client that is a public interest entity. (Ref: Para. R600.15 and R600.17). | A firm or a network firm shall not prepare tax calculations of current and deferred tax liabilities (or assets) for an audit client that is a public interest entity. (Ref: Para. : Para. R600.14 and R600.16). | Reference difference |
| 604.11A1 | Tax advisory and tax planning services comprise a broad range of services, such as advising the audit client how to structure its affairs in a tax efficient manner or advising on the application of a tax law or regulation. | Tax advisory and tax planning services comprise a broad range of services, such as advising the audit client how to structure its affairs in a tax efficient manner or advising on the application of a tax law or regulation. | No Changes |
| 604.12A1 | Providing tax advisory and tax planning services to an audit client might create a self-review threat when there is a risk that the results of the services will affect the accounting records or the financial statements on which the firm will express an | Providing tax advisory and tax planning services to an audit client might create a self-review threat when there is a risk that the results of the services will affect the accounting records or the financial statements on which the firm will express an opinion. Such services might also create an advocacy threat. | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | opinion. Such services might also create an advocacy threat. | | |
| 604.12A2 | Providing tax advisory and tax planning services will not create a self-review threat if such services: (a) Are supported by a tax authority or other precedent; (b) Are based on an established practice (being a practice that has been commonly used and has not been challenged by the relevant tax authority); or (c) Have a basis in tax law that the firm is confident is likely to prevail. | Providing tax advisory and tax planning services will not create a self- review threat if such services: (a) Are supported by a tax authority or other precedent; (b) Are based on an established practice (being a practice that has been commonly used and has not been challenged by the relevant tax authority); (c) Have a basis in tax law that the firm is confident is likely to prevail. | No Changes |
| 604.12A3 | In addition to paragraph 604.3 A2, factors that are relevant in identifying self-review or advocacy threats created by providing tax advisory and tax planning services to audit clients, and evaluating the level of such threats include: • The degree of subjectivity involved in determining the appropriate treatment for the tax advice in the financial statements. • Whether the tax treatment is supported by a ruling or has otherwise been cleared by the tax authority before the preparation of the financial statements. • The extent to which the outcome of the tax advice might have a material effect on the financial statements. When a self-review threat for an audit client that is a public interest entity has been identified, paragraph R604.15 applies. | In addition to paragraph 604.3 A2, factors that are relevant in identifying self-review or advocacy threats created by providing tax advisory and tax planning services to audit clients, and evaluating the level of such threats include: • The degree of subjectivity involved in determining the appropriate treatment for the tax advice in the financial statements. • Whether the tax treatment is supported by a ruling or has otherwise been cleared by the tax authority before the preparation of the financial statements. • The extent to which the outcome of the tax advice might have a material effect on the financial statements. When a self-review threat for an audit client that is a public interest entity has been identified, paragraph R604.15 applies. | No Changes |
| R604.13 | A firm or a network firm shall not provide tax advisory and tax planning services to an audit client when: (a) The effectiveness of the tax advice depends on a particular accounting treatment or presentation in the financial statements; and (b) The audit team has doubt as to the appropriateness of the related accounting treatment or presentation under the relevant financial reporting framework. | A firm or a network firm shall not provide tax advisory and tax planning services to an audit client when: (a) The effectiveness of the tax advice depends on a particular accounting treatment or presentation in the financial statements; and (b) The audit team has doubt as to the appropriateness of the related accounting treatment or presentation under the relevant financial reporting framework. | No Changes |
| 604.14A1 | Examples of actions that might be safeguards to address self- review or advocacy threats created by providing tax advisory and tax planning services to an audit client that is not a public interest entity include: • Using professionals who are not audit team members to perform the service might address self-review or advocacy threats. • Having an appropriate reviewer, who was not involved in providing the service, review the audit work or service performed might address a self-review | Examples of actions that might be safeguards to address self-review or advocacy threats created by providing tax advisory and tax planning services to an audit client that is not a public interest entity include: • Using professionals who are not audit team members to perform the service might address self-review or advocacy threats. • Having an appropriate reviewer, who was not involved in providing the service, review the audit work or service performed might address a self-review threat. • Obtaining pre-clearance from the tax | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| | threat. • Obtaining pre-clearance from the tax authorities might address self-review or advocacy threats. | authorities might address self-review or advocacy threats. | |
| R604.15 | A firm or a network firm shall not provide tax advisory and tax planning services to an audit client that is a public interest entity if the provision of such services might create a self-review threat. (Ref: Para. R600.15, R600.17, 604.12 A2). | A firm or a network firm shall not provide tax advisory and tax planning services to an audit client that is a public interest entity if the provision of such services might create a self-review threat. (Ref: Para. R600.14, R600.16, 604.12 A2) | Reference difference |
| 604.15A1 | Examples of actions that might be safeguards to address an advocacy threat created by providing tax advisory and tax planning services to an audit client that is a public interest entity include: • Using professionals who are not audit team members to perform the service. • Obtaining pre-clearance from the tax authorities. | Examples of actions that might be safeguards to address an advocacy threat created by providing tax advisory and tax planning services to an audit client that is a public interest entity include: • Using professionals who are not audit team members to perform the service. • Obtaining pre-clearance from the tax authorities. | No Changes |
| 604.16A1 | The provision of tax services involving valuations might arise in a range of circumstances including: • Merger and acquisition transactions. • Group restructurings and corporate reorganizations. • Transfer pricing studies. • Stock-based compensation arrangements. | The provision of tax services involving valuations might arise in a range of circumstances including: • Merger and acquisition transactions. • Group restructurings and corporate reorganizations. • Transfer pricing studies. • Stock-based compensation arrangements. | No Changes |
| 604.17A1 | Providing a valuation for tax purposes to an audit client might create a self-review threat when there is a risk that the results of the service will affect the accounting records or the financial statements on which the firm will express an opinion. Such a service might also create an advocacy threat. | Providing a valuation for tax purposes to an audit client might create a self-review threat when there is a risk that the results of the service will affect the accounting records or the financial statements on which the firm will express an opinion. Such a service might also create an advocacy threat. | No Changes |
| 604.17A2 | When a firm or a network firm performs a valuation for tax purposes to assist an audit client with its tax reporting obligations or for tax planning purposes, the result of the valuation might: (a) Have no effect on the accounting records or the financial statements other than through accounting entries related to tax. In such situations, the requirements and application material set out in this subsection apply. (b) Affect the accounting records or the financial statements in ways not limited to accounting entries related to tax, for example, if the valuation leads to a revaluation of assets. In such situations, the requirements and application material set out in subsection 603 relating to valuation services apply. | When a firm or a network firm performs a valuation for tax purposes to assist an audit client with its tax reporting obligations or for tax planning purposes, the result of the valuation might: (a) Have no effect on the accounting records or the financial statements other than through accounting entries related to tax. In such situations, the requirements and application material set out in this subsection apply. (b) Affect the accounting records or the financial statements in ways not limited to accounting entries related to tax, for example, if the valuation leads to a revaluation of assets. In such situations, the requirements and application material set out in subsection 603 relating to valuation services apply. | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| 604.17A3 | Performing a valuation for tax purposes for an audit client will not create a self-review threat if: (a) The underlying assumptions are either established by law or regulation, or are widely accepted; or (b) The techniques and methodologies to be used are based on generally accepted standards or prescribed by law or regulation, and the valuation is subject to external review by a tax authority or similar regulatory authority. | Performing a valuation for tax purposes for an audit client will not create a self-review threat if: (a) The underlying assumptions are either established by law or regulation, or are widely accepted; or (b) The techniques and methodologies to be used are based on generally accepted standards or prescribed by law or regulation, and the valuation is subject to external review by a tax authority or similar regulatory authority. | No Changes |
| 604.18A1 | A firm or a network firm might perform a valuation for tax purposes for an audit client that is not a public interest entity where the result of the valuation only affects the accounting records or the financial statements through accounting entries related to tax. This would not usually create threats if the effect on the financial statements is immaterial or the valuation, as incorporated in a tax return or other filing, is subject to external review by a tax authority or similar regulatory authority. | A firm or a network firm might perform a valuation for tax purposes for an audit client that is not a public interest entity where the result of the valuation only affects the accounting records or the financial statements through accounting entries related to tax. This would not usually create threats if the effect on the financial statements is immaterial or the valuation, as incorporated in a tax return or other filing, is subject to external review by a tax authority or similar regulatory authority. | No Changes |
| 604.18A2 | If the valuation that is performed for tax purposes is not subject to an external review and the effect is material to the financial statements, in addition to paragraph 604.3 A2, the following factors are relevant in identifying self-review or advocacy threats created by providing those services to an audit client that is not a public interest entity, and evaluating the level of such threats: • The extent to which the valuation methodology is supported by tax law or regulation, other precedent or established practice. • The degree of subjectivity inherent in the valuation. • The reliability and extent of the underlying data. | If the valuation that is performed for tax purposes is not subject to an external review and the effect is material to the financial statements, in addition to paragraph 604.3 A2, the following factors are relevant in identifying self-review or advocacy threats created by providing those services to an audit client that is not a public interest entity, and evaluating the level of such threats:• The extent to which the valuation methodology is supported by tax law or regulation, other precedent or established practice.• The degree of subjectivity inherent in the valuation.• The reliability and extent of the underlying data. | No Changes |
| 604.18A3 | Examples of actions that might be safeguards to address such threats for an audit client that is not a public interest entity include: • Using professionals who are not audit team members to perform the service might address self-review or advocacy threats. • Having an appropriate reviewer who was not involved in providing the service review the audit work or service performed might address a self-review threat. • Obtaining pre-clearance from the tax authorities might address self-review or advocacy threats. | Examples of actions that might be safeguards to address such threats for an audit client that is not a public interest entity include: • Using professionals who are not audit team members to perform the service might address self-review or advocacy threats. • Having an appropriate reviewer who was not involved in providing the service review the audit work or service performed might address a self-review threat. • Obtaining pre-clearance from the tax authorities might address self-review or advocacy threats. | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| R604.19 | A firm or a network firm shall not perform a valuation for tax purposes for an audit client that is a public interest entity if the provision of that service might create a self-review threat. (Ref: Para. R600.15, R600.17, | A firm or a network firm shall not perform a valuation for tax purposes for an audit client that is a public interest entity if the provision of that service might create a self-review threat. (Ref: Para. R600.14, R600.16, 604.17 A3). | Reference difference |
| 604.19A1 | Examples of actions that might be safeguards to address an advocacy threat created by providing a valuation for tax purposes for an audit client that is a public interest entity include: • Using professionals who are not audit team members to perform the service. • Obtaining pre-clearance from the tax authorities. | Examples of actions that might be safeguards to address an advocacy threat created by providing a valuation for tax purposes for an audit client that is a public interest entity include: • Using professionals who are not audit team members to perform the service. • Obtaining pre-clearance from the tax authorities. | No Changes |
| 604.20A1 | A non-assurance service to provide assistance to an audit client in the resolution of tax disputes might arise from a tax authority's consideration of tax calculations and treatments. Such a service might include, for example, providing assistance when the tax authorities have notified the client that arguments on a particular issue have been rejected and either the tax authority or the client refers the matter for determination in a formal proceeding before a tribunal or court. | A non-assurance service to provide assistance to an audit client in the resolution of tax disputes might arise from a tax authority's consideration of tax calculations and treatments. Such a service might include, for example, providing assistance when the tax authorities have notified the client that arguments on a particular issue have been rejected and either the tax authority or the client refers the matter for determination in a formal proceeding before a tribunal or court. | No Changes |
| 604.21A1 | Providing assistance in the resolution of a tax dispute to an audit client might create a self- review threat when there is a risk that the results of the service will affect the accounting records or the financial statements on which the firm will express an opinion. Such a service might also create an advocacy threat. | Providing assistance in the resolution of a tax dispute to an audit client might create a self- review threat when there is a risk that the results of the service will affect the accounting records or the financial statements on which the firm will express an opinion. Such a service might also create an advocacy threat. | No Changes |
| 604.22A1 | In addition to those identified in paragraph 604.3 A2, factors that are relevant in identifying self- review or advocacy threats created by assisting an audit client in the resolution of tax disputes, and evaluating the level of such threats include: • The role management plays in the resolution of the dispute. • The extent to which the outcome of the dispute will have a material effect on the financial statements on which the firm will express an opinion. • Whether the firm or network firm provided the advice that is the subject of the tax dispute. • The extent to which the matter is supported by tax law or regulation, other precedent, or established practice. • Whether the proceedings are conducted in public. • When a self-review threat for an audit client that is a public | In addition to those identified in paragraph 604.3 A2, factors that are relevant in identifying self- review or advocacy threats created by assisting an audit client in the resolution of tax disputes, and evaluating the level of such threats include: • The role management plays in the resolution of the dispute. • The extent to which the outcome of the dispute will have a material effect on the financial statements on which the firm will express an opinion. Whether the firm or network firm provided the advice that is the subject of the tax dispute. • The extent to which the matter is supported by tax law or regulation, other precedent, or established practice. • Whether the proceedings are conducted in public. When a self-review threat for an audit client that is a public interest entity has been identified, paragraph R604.24 applies. | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | interest entity has been identified, paragraph R604.24 applies. | | |
| 604.23A1 | Examples of actions that might be safeguards to address self- review or advocacy threats created by assisting an audit client that is not a public interest entity in the resolution of tax disputes include: • Using professionals who are not audit team members to perform the service might address self-review or advocacy threats. • Having an appropriate reviewer who was not involved in providing the service review the audit work or the service performed might address a self-review threat. | Examples of actions that might be safeguards to address self-review or advocacy threats created by assisting an audit client that is not a public interest entity in the resolution of tax disputes include: • Using professionals who are not audit team members to perform the service might address self-review or advocacy threats. • Having an appropriate reviewer who was not involved in providing the service review the audit work or the service performed might address a self-review threat. | No Changes |
| R604.24 | A firm or a network firm shall not provide assistance in the resolution of tax disputes to an audit client that is a public interest entity if the provision of that assistance might create a self-review threat. (Ref: Para. R600.15 and R600.17). | A firm or a network firm shall not provide assistance in the resolution of tax disputes to an audit client that is a public interest entity if the provision of that assistance might create a self-review threat. (Ref: Para. R600.14 and R600.16). | Reference difference |
| 604.24A1 | An example of an action that might be a safeguard to address an advocacy threat for an audit client that is a public interest entity is using professionals who are not audit team members to perform the service. | An example of an action that might be a safeguard to address an advocacy threat for an audit client that is a public interest entity is using professionals who are not audit team members to perform the service. | No Changes |
| R604.25 | A firm or a network firm shall not provide tax services that involve assisting in the resolution of tax disputes to an audit client that is not a public interest entity if: (a) The services involve acting as an advocate for the audit client before a tribunal or court in the resolution of a tax matter; and (b) The amounts involved are material to the financial statements on which the firm will express an opinion. | A firm or a network firm shall not provide tax services that involve assisting in the resolution of tax disputes to an audit client that is not a public interest entity if: (a) The services involve acting as an advocate for the audit client before a tribunal or court in the resolution of a tax matter; and (b) The amounts involved are material to the financial statements on which the firm will express an opinion. | No Changes |
| R604.26 | A firm or a network firm shall not provide tax services that involve assisting in the resolution of tax disputes to an audit client that is a public interest entity if the services involve acting as an advocate for the audit client before a tribunal or court. | A firm or a network firm shall not provide tax services that involve assisting in the resolution of tax disputes to an audit client that is a public interest entity if the services involve acting as an advocate for the audit client before a tribunal or court. | No Changes |
| 604.27A1 | Paragraphs R604.25 and R604.26 do not preclude a firm or a network firm from having a continuing advisory role in relation to the matter that is being heard before a tribunal or court, for example: • Responding to specific requests for information. • Providing factual accounts or testimony about the work | Paragraphs R604.25 and R604.26 do not preclude a firm or a network firm from having a continuing advisory role in relation to the matter that is being heard before a tribunal or court, for example: • Responding to specific requests for information.• Providing factual accounts or testimony about the | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | performed. • Assisting the client in analyzing the tax issues related to the matter. | work performed.• Assisting the client in analyzing the tax issues related to the matter. | |
| 604.27A2 | What constitutes a "tribunal or court" depends on how tax proceedings are heard in the particular jurisdiction. | What constitutes a "tribunal or court" depends on how tax proceedings are heard in the particular jurisdiction. | No Changes |
| 605.1 | In addition to the specific requirements and application material in this subsection, the requirements and application material in paragraphs 600.1 to 600.28 A1 are relevant to applying the conceptual framework when providing an internal audit service to an audit client. | In addition to the specific requirements and application material in this subsection, the requirements and application material in paragraphs 600.1 to 600.27 A1 are relevant to applying the conceptual framework when providing an internal audit service to an audit client. | Reference difference |
| 605.2A1 | Internal audit services comprise a broad range of activities and might involve assisting the audit client in the performance of one or more aspects of its internal audit activities. Internal audit activities might include: • Monitoring of internal control – reviewing controls, monitoring their operation and recommending improvements to them. • Examining financial and operating information by: o Reviewing the means used to identify, measure, classify and report financial and operating information. O Inquiring specifically into individual items including o detailed testing of transactions, balances and procedures. • Reviewing the economy, efficiency and effectiveness of operating activities including non-financial activities of an entity. • Reviewing compliance with: o Laws, regulations and other external requirements. o Management policies, directives and other internal requirements. | Internal audit services comprise a broad range of activities and might involve assisting the audit client in the performance of one or more aspects of its internal audit activities. Internal audit activities might include: • Monitoring of internal control – reviewing controls, monitoring their operation and recommending improvements to them. • Examining financial and operating information by: o Reviewing the means used to identify, measure, classify and report financial and operating information. o Inquiring specifically into individual items including detailed testing of transactions, balances and procedures. • Reviewing the economy, efficiency and effectiveness of operating activities including non-financial activities of an entity. • Reviewing compliance with: o Laws, regulations and other external requirements. o Management policies, directives and other internal requirements. | No Changes |
| 605.2A2 | The scope and objectives of internal audit activities vary widely and depend on the size and structure of the entity and the requirements of those charged with governance as well as the needs and expectations of management. As they might involve matters that are operational in nature, they do not necessarily relate to matters that will be subject to consideration in relation to the audit of the financial statements. | The scope and objectives of internal audit activities vary widely and depend on the size and structure of the entity and the requirements of those charged with governance as well as the needs and expectations of management. As they might involve matters that are operational in nature, they do not necessarily relate to matters that will be subject to consideration in relation to the audit of the financial statements. | No Changes |
| R605.3 | Paragraph R400.20 precludes a firm or a network firm from assuming a management responsibility. When providing an internal audit service to an audit client, the firm shall be satisfied that: (a) The client designates | Paragraph R400.18 precludes a firm or a network firm from assuming a management responsibility. When providing an internal audit service to an audit client, the firm shall be satisfied that: (a) The client designates an appropriate and competent resource, | Reference difference |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | an appropriate and competent resource, who reports to those charged with governance to: (i) Be responsible at all times for internal audit activities; and (ii) Acknowledge responsibility for designing, implementing, monitoring and maintaining internal control; (b) The client reviews, assesses and approves the scope, risk and frequency of the internal audit services; (c) The client evaluates the adequacy of the internal audit services and the findings resulting from their performance; (d) The client evaluates and determines which recommendations resulting from internal audit services to implement and manages the implementation process; and (e) The client reports to those charged with governance the significant findings and recommendations resulting from the internal audit services. | who reports to those charged with governance to:(i) Be responsible at all times for internal audit activities; and (ii) Acknowledge responsibility for designing, implementing, monitoring and maintaining internal control; (b) The client reviews, assesses and approves the scope, risk and frequency of the internal audit services;(c) The client evaluates the adequacy of the internal audit services and the findings resulting from their performance; (d) The client evaluates and determines which recommendations resulting from internal audit services to implement and manages the implementation process; and(e) The client reports to those charged with governance the significant findings and recommendations resulting from the internal audit services. | |
| 605.3A1 | Performing part of the client's internal audit activities increases the possibility that individuals within the firm or the network firm providing internal audit services will assume a management responsibility. | Performing part of the client's internal audit activities increases the possibility that individuals within the firm or the network firm providing internal audit services will assume a management responsibility. | |
| 605.3A2 | Examples of internal audit services that involve assuming management responsibilities include: • Setting internal audit policies or the strategic direction of internal audit activities. • Directing and taking responsibility for the actions of the entity's internal audit employees. • Deciding which recommendations resulting from internal audit activities to implement. • Reporting the results of the internal audit activities to those charged with governance on behalf of management. • Performing procedures that form part of the internal control, such as reviewing and approving changes to employee data access privileges. • Taking responsibility for designing, implementing, monitoring and maintaining internal control. • Performing outsourced internal audit services, comprising all or a substantial portion of the internal audit function, where the firm or network firm is responsible for determining the scope of the internal audit work; and might have responsibility for one or more of the matters noted above. | Examples of internal audit services that involve assuming management responsibilities include: • Setting internal audit policies or the strategic direction of internal audit activities. • Directing and taking responsibility for the actions of the entity's internal audit employees. • Deciding which recommendations resulting from internal audit activities to implement. • Reporting the results of the internal audit activities to those charged with governance on behalf of management. • Performing procedures that form part of the internal control, such as reviewing and approving changes to employee data access privileges. • Taking responsibility for designing, implementing, monitoring and maintaining internal control. • Performing outsourced internal audit services, comprising all or a substantial portion of the internal audit function, where the firm or network firm is responsible for determining the scope of the internal audit work; and might have responsibility for one or more of the matters noted above. | No Change |
| 605.4A1 | Providing internal audit services to an audit client might create a self-review threat when there is a risk that the results of the services | Providing internal audit services to an audit client might create a self- review threat when there is a risk that the results of the services impact the audit of the | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | impact the audit of the financial statements on which the firm will express an opinion. | financial statements on which the firm will express an opinion. | |
| 605.4A2 | When a firm uses the work of an internal audit function in an audit engagement, ISAs require the performance of procedures to evaluate the adequacy of that work. Similarly, when a firm or a network firm accepts an engagement to provide internal audit services to an audit client, the results of those services might be used in conducting the external audit. This might create a self- review threat because it is possible that the engagement team will use the results of the internal audit service for purposes of the audit engagement without: (a) Appropriately evaluating those results; or (b) Exercising the same level of professional skepticism as would be exercised when the internal audit work is performed by individuals who are not members of the firm. | When a firm uses the work of an internal audit function in an audit engagement, ISAs require the performance of procedures to evaluate the adequacy of that work. Similarly, when a firm or a network firm accepts an engagement to provide internal audit services to an audit client, the results of those services might be used in conducting the external audit. This might create a self-review threat because it is possible that the engagement team will use the results of the internal audit service for purposes of the audit engagement without: (a) Appropriately evaluating those results; or (b) Exercising the same level of professional skepticism as would be exercised when the internal audit work is performed by individuals who are not members of the firm. | No Changes |
| 605.4A3 | Factors that are relevant in identifying a self-review threat created by providing internal audit services to an audit client, and evaluating the level of such a threat include: • The materiality of the related financial statements amounts. • The risk of misstatement of the assertions related to those financial statement amounts. • The degree of reliance that the engagement team will place on the work of the internal audit service. When a self-review threat for an audit client that is a public interest entity has been identified, paragraph R605.6 applies. | Factors that are relevant in identifying a self-review threat created by providing internal audit services to an audit client, and evaluating the level of such a threat include: • The materiality of the related financial statements amounts. • The risk of misstatement of the assertions related to those financial statement amounts. • The degree of reliance that the engagement team will place on the work of the internal audit service. When a self-review threat for an audit client that is a public interest entity has been identified, paragraph R605.6 applies. | No Change |
| 605.5A1 | An example of an action that might be a safeguard to address a self-review threat created by the provision of an internal audit service to an audit client that is not a public interest entity is using professionals who are not audit team members to perform the service. | An example of an action that might be a safeguard to address a self- review threat created by the provision of an internal audit service to an audit client that is not a public interest entity is using professionals who are not audit team members to perform the service. | No Change |
| R605.6 | A firm or a network firm shall not provide internal audit services to an audit client that is a public interest entity if the provision of such services might create a self-review threat. (Ref: Para. R600.15 and R600.17). | A firm or a network firm shall not provide internal audit services to an audit client that is a public interest entity if the provision of such services might create a self-review threat. (Ref: Para. R600.14 and R600.16). | Reference difference |
| 605.6A1 | Examples of the services that are prohibited under paragraph R605.6 include internal audit services that relate to: • The internal controls over financial reporting. • Financial | Examples of the services that are prohibited under paragraph R605.6 include internal audit services that relate to:• The internal controls over financial reporting. • Financial accounting systems that | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | accounting systems that generate information for the client's accounting records or financial statements on which the firm will express an opinion. • Amounts or disclosures that relate to the financial statements on which the firm will express an opinion. | generate information for the client's accounting records or financial statements on which the firm will express an opinion.• Amounts or disclosures that relate to the financial statements on which the firm will express an opinion. | |
| 606.1 | In addition to the specific requirements and application material in this subsection, the requirements and application material in paragraphs 600.1 to 600.28 A1 are relevant to applying the conceptual framework when providing an information technology (IT) systems service to an audit client. | In addition to the specific requirements and application material in this subsection, the requirements and application material in paragraphs 600.1 to 600.27 A1 are relevant to applying the conceptual framework when providing an information technology (IT) systems service to an audit client. | Reference difference |
| 606.2A1 | IT systems services comprise a broad range of services including: • Designing or developing hardware or software IT systems. • Implementing IT systems, including installation, configuration, interfacing, or customization. • Operating, maintaining, monitoring, updating or upgrading IT systems. • Collecting or storing data or managing (directly or indirectly) the hosting of data. | Services related to IT systems include the design or implementation of hardware or software systems. The IT systems might: (a) Aggregate source data; (b) Form part of the internal control over financial reporting; or (c) Generate information that affects the accounting records or financial statements, including related disclosures. However, the IT systems might also involve matters that are unrelated to the audit client's accounting records or the internal control over financial reporting or financial statements. | |
| 606.2A2 | The IT systems might: (a) Aggregate source data; (b) Form part of the internal control over financial reporting; or (c) Generate information that affects the accounting records or financial statements, including related disclosures. However, the IT systems might also involve matters that are unrelated to the audit client's accounting records or the internal control over financial reporting or financial statements. | The IT systems might: (a) Aggregate source data; (b) Form part of the internal control over financial reporting; or (c) Generate information that affects the accounting records or financial statements, including related disclosures. However, the IT systems might also involve matters that are unrelated to the audit client's accounting records or the internal control over financial reporting or financial statements | "Changes to the Code" section |
| 606.3 | Paragraph R400.20 precludes a firm or a network firm from assuming a management responsibility. When providing IT systems services to an audit client, the firm or network firm shall be satisfied that: (a) The client acknowledges its responsibility for establishing and monitoring a system of internal controls; (b) The client, through a competent individual (or individuals), preferably within senior management, makes all management decisions that are the proper responsibility of management with respect to the design, development, implementation, operation, maintenance, monitoring, updating or upgrading of the IT systems; (c) The client evaluates the adequacy and results of the design, | Paragraph R400.18 precludes a firm or a network firm from assuming a management responsibility. When providing IT systems services to an audit client, the firm or network firm shall be satisfied that: (a) The client acknowledges its responsibility for establishing and monitoring a system of internal controls; (b) The client assigns the responsibility to make all management decisions with respect to the design and implementation of the hardware or software system to a competent employee, preferably within senior management; (c) The client makes all management decisions with respect to the design and implementation process; (d) The client evaluates the adequacy and results of the design and implementation of the system; and (e) The client is responsible for operating the system (hardware or software) and for the data it uses or generates. | |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | development, implementation, operation, maintenance, monitoring, updating or upgrading of the IT system; and (d) The client is responsible for operating the IT system and for the data it generates and uses. | | |
| 606.3A1 | Examples of IT systems services that result in the assumption of a management responsibility include where a firm or a network firm: • Stores data or manages (directly or indirectly) the hosting of data on behalf of the audit client. Such services include: Acting as the only access to a financial or non- o financial information system of the audit client. Taking custody of or storing the audit client's data or o records such that the audit client's data or records are otherwise incomplete. Providing electronic security or back-up services, o such as business continuity or a disaster recovery function, for the audit client's data or records. • Operates, maintains, or monitors the audit client's IT systems, network or website. | Examples of IT systems services that result in the assumption of a management responsibility include where a firm or a network firm: • Stores data or manages (directly or indirectly) the hosting of data on behalf of the audit client. Such services include: Acting as the only access to a financial or non- o financial information system of the audit client. Taking custody of or storing the audit client's data or o records such that the audit client's data or records are otherwise incomplete. Providing electronic security or back-up services, o such as business continuity or a disaster recovery function, for the audit client's data or records. • Operates, maintains, or monitors the audit client's IT systems, network or website. | "Changes to the Code" section |
| 606.3A2 | The collection, receipt, transmission and retention of data provided by an audit client in the course of an audit or to enable the provision of a permissible service to that client does not result in an assumption of management responsibility. | The collection, receipt, transmission and retention of data provided by an audit client in the course of an audit or to enable the provision of a permissible service to that client does not result in an assumption of management responsibility. | "Changes to the Code" section |
| 606.4A1 | Providing IT systems services to an audit client might create a self-review threat when there is a risk that the results of the services will affect the audit of the financial statements on which the firm will express an opinion. | Providing IT systems services to an audit client might create a self- review threat when there is a risk that the results of the services will affect the audit of the financial statements on which the firm will express an opinion. | No Changes |
| 606.4A2 | Factors that are relevant in identifying a self-review threat created by providing an IT systems service to an audit client, and evaluating the level of such a threat include: • The nature of the service. • The nature of the client's IT systems and the extent to which the IT systems service impacts or interacts with the client's accounting records, internal controls over financial reporting or financial statements. • The degree of reliance that will be placed on the particular IT systems as part of the audit. When a self-review threat for an audit client that is a public interest entity has been identified, paragraph R606.6 applies. | Providing the following IT systems services to an audit client does not usually create a threat as long as individuals within the firm or network firm do not assume a management responsibility: 232 SECTION 600 (a) Designing or implementing IT systems that are unrelated to internal control over financial reporting; (b) Designing or implementing IT systems that do not generate information forming part of the accounting records or financial statements; and (c) Implementing "off-the-shelf" accounting or financial information reporting software that was not developed by the firm or network firm, if the customization required to meet the client's needs is not significant. | |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 606.4A3 | Examples of IT systems services that create a self-review threat when they form part of or affect an audit client's accounting records or system of internal control over financial reporting include: • Designing, developing, implementing, operating, maintaining, monitoring, updating or upgrading IT systems, including those related to cybersecurity. • Supporting an audit client's IT systems, including network and software applications. • Implementing accounting or financial information reporting software, whether or not it was developed by the firm or a network firm. | Factors that are relevant in identifying a self-review threat created by providing an IT systems service to an audit client, and evaluating the level of such a threat include: • The nature of the service. • The nature of the client's IT systems and the extent to which the IT systems service impacts or interacts with the client's accounting records, internal controls over financial reporting or financial statements. • The degree of reliance that will be placed on the particular IT systems as part of the audit. | |
| 606.5A1 | An example of an action that might be a safeguard to address a self-review threat created by the provision of an IT systems service to an audit client that is not a public interest entity is using professionals who are not audit team members to perform the service. | An example of an action that might be a safeguard to address a self- review threat created by the provision of an IT systems service to an audit client that is not a public interest entity is using professionals who are not audit team members to perform the service. | No Changes |
| R606.6 | A firm or a network firm shall not provide IT systems services to an audit client that is a public interest entity if the provision of such services might create a self-review threat (Ref: Para. R600.15 and R600.17). | A firm or a network firm shall not provide IT systems services to an audit client that is a public interest entity if the provision of such services might create a self-review threat (Ref: Para. R600.14 and R600.16). | Reference difference |
| 606.6A1 | **Not Present** | Examples of services that are prohibited because they give rise to a self-review threat include those involving designing or implementing IT systems that: • Form part of the internal control over financial reporting; or • Generate information for the client's accounting records or financial statements on which the firm will express an opinion. | Included in IESBA 2023. however subsequently deleted |
| 607.1 | In addition to the specific requirements and application material in this subsection, the requirements and application material in paragraphs 600.1 to 600.28 A1 are relevant to applying the conceptual framework when providing a litigation support service to an audit client. | In addition to the specific requirements and application material in this subsection, the requirements and application material in paragraphs 600.1 to 600.27 A1 are relevant to applying the conceptual framework when providing a litigation support service to an audit client. | Reference difference |
| 607.2A1 | Litigation support services might include activities such as: • Assisting with document management and retrieval. • Acting as a witness, including an expert witness. • Calculating estimated damages or other amounts that might become receivable or payable as the result of litigation or other legal dispute. • Forensic or investigative services. | Litigation support services might include activities such as: • Assisting with document management and retrieval. • Acting as a witness, including an expert witness. • Calculating estimated damages or other amounts that might become receivable or payable as the result of litigation or other legal dispute. • Forensic or investigative services. | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 607.3A1 | Providing litigation support services to an audit client might create a self-review threat when there is a risk that the results of the services will affect the accounting records or the financial statements on which the firm will express an opinion. Such services might also create an advocacy threat. | Providing litigation support services to an audit client might create a self- review threat when there is a risk that the results of the services will affect the accounting records or the financial statements on which the firm will express an opinion. Such services might also create an advocacy threat. | No Changes |
| 607.4A1 | Factors that are relevant in identifying self-review or advocacy threats created by providing litigation support services to an audit client, and evaluating the level of such threats include: • The legal and regulatory environment in which the service is provided. • The nature and characteristics of the service. • The extent to which the outcome of the litigation support service might involve estimating, or might affect the estimation of, damages or other amounts that might have a material effect on the financial statements on which the firm will express an opinion. • When a self-review threat for an audit client that is a public interest entity has been identified, paragraph R607.6 applies. | Factors that are relevant in identifying self-review or advocacy threats created by providing litigation support services to an audit client, and evaluating the level of such threats include: • The legal and regulatory environment in which the service is provided. • The nature and characteristics of the service. • The extent to which the outcome of the litigation support service might involve estimating, or might affect the estimation of, damages or other amounts that might have a material effect on the financial statements on which the firm will express an opinion. | Additional reference is given in IESBA |
| 607.4A2 | If a firm or a network firm provides a litigation support service to an audit client and the service might involve estimating, or might affect the estimation of, damages or other amounts that affect the financial statements on which the firm will express an opinion, the requirements and application material set out in Subsection 603 related to valuation services apply. | If a firm or a network firm provides a litigation support service to an audit client and the service might involve estimating, or might affect the estimation of, damages or other amounts that affect the financial statements on which the firm will express an opinion, the requirements and application material set out in Sub section 603 related to valuation services apply. | No Changes |
| 607.5A1 | An example of an action that might be a safeguard to address a self-review or advocacy threat created by providing a litigation support service to an audit client that is not a public interest entity is using a professional who was not an audit team member to perform the service. | An example of an action that might be a safeguard to address a self- review or advocacy threat created by providing a litigation support service to an audit client that is not a public interest entity is using a professional who was not an audit team member to perform the service. | No Changes |
| R607.6 | A firm or a network firm shall not provide litigation support services to an audit client that is a public interest entity if the provision of such services might create a self-review threat. (Ref: Para. R600.15 and R600.17). | A firm or a network firm shall not provide litigation support services to an audit client that is a public interest entity if the provision of such services might create a self-review threat. (Ref: Para. R600.14 and R600.16). | Reference difference |
| 607.6A1 | An example of a service that is prohibited because it might create a self-review threat is providing advice in connection with a legal proceeding where there is a risk that the outcome of the service affects the | An example of a service that is prohibited because it might create a self- review threat is providing advice in connection with a legal proceeding where there is a risk that the outcome of the service affects the quantification of any provision or other amount in the | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | quantification of any provision or other amount in the financial statements on which the firm will express an opinion. | financial statements on which the firm will express an opinion. | |
| 607.6A2 | An example of an action that might be a safeguard to address an advocacy threat created by providing a litigation support service to an audit client that is a public interest entity is using a professional who was not an audit team member to perform the service. | An example of an action that might be a safeguard to address an advocacy threat created by providing a litigation support service to an audit client that is a public interest entity is using a professional who was not an audit team member to perform the service. | No Changes |
| 607.7A1 | A professional within the firm or the network firm might give evidence to a tribunal or court as a witness of fact or as an expert witness. (a) A witness of fact is an individual who gives evidence to a tribunal or court based on his or her direct knowledge of facts or events. (b) An expert witness is an individual who gives evidence, including opinions on matters, to a tribunal or court based on that individual's expertise. | A professional within the firm or the network firm might give evidence to a tribunal or court as a witness of fact or as an expert witness. (a) A witness of fact is an individual who gives evidence to a tribunal or court based on his or her direct knowledge of facts or events. (b) An expert witness is an individual who gives evidence, including opinions on matters, to a tribunal or court based on that individual's expertise. | No Changes |
| 607.7A2 | A threat to independence is not created when an individual, in relation to a matter that involves an audit client, acts as a witness of fact and in the course of doing so provides an opinion within the individual's area of expertise in response to a question asked in the course of giving factual evidence. | A threat to independence is not created when an individual, in relation to a matter that involves an audit client, acts as a witness of fact and in the course of doing so provides an opinion within the individual's area of expertise in response to a question asked in the course of giving factual evidence. | No Changes |
| 607.7A3 | The advocacy threat created when acting as an expert witness on behalf of an audit client is at an acceptable level if a firm or a network firm is: (a) Appointed by a tribunal or court to act as an expert witness in a matter involving a client; or (b) Engaged to advise or act as an expert witness in relation to a class action (or an equivalent group representative action) provided that: (i) The firm's audit clients constitute less than 20% of the members of the class or group (in number and in value); (ii) No audit client is designated to lead the class or group; and (iii) No audit client is authorized by the class or group to determine the nature and scope of the services to be provided by the firm or the terms on which such services are to be provided. | The advocacy threat created when acting as an expert witness on behalf of an audit client is at an acceptable level if a firm or a network firm is: (a) Appointed by a tribunal or court to act as an expert witness in a matter involving a client; or (b) Engaged to advise or act as an expert witness in relation to a class action (or an equivalent group representative action) provided that: (i) The firm's audit clients constitute less than 20% of the members of the class or group (in number and in value); (ii) No audit client is designated to lead the class or group; and (iii) No audit client is authorized by the class or group to determine the nature and scope of the services to be provided by the firm or the terms on which such services are to be provided. | No Changes |
| 607.8A1 | An example of an action that might be a safeguard to address an advocacy threat for an audit client that is not a public interest entity is using a professional to perform the | An example of an action that might be a safeguard to address an advocacy threat for an audit client that is not a public interest entity is using a professional | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| | service who is not, and has not been, an audit team member. | to perform the service who is not, and has not been, an audit team member. | |
| R607.9 | A firm or a network firm, or an individual within a firm or a network firm, shall not act for an audit client that is a public interest entity as an expert witness in a matter unless the circumstances set out in paragraph 607.7 A3 apply. | A firm or a network firm, or an individual within a firm or a network firm, shall not act for an audit client that is a public interest entity as an expert witness in a matter unless the circumstances set out in paragraph 607.7 A3 apply. | No Changes |
| 608.1 | In addition to the specific requirements and application material in this subsection, the requirements and application material in paragraphs 600.1 to 600.28 A1 are relevant to applying the conceptual framework when providing a legal service to an audit client. | In addition to the specific requirements and application material in this subsection, the requirements and application material in paragraphs 600.1 to 600.27 A1 are relevant to applying the conceptual framework when providing a legal service to an audit client. | No Changes |
| 608.2A1 | Legal services are defined as any services for which the individual providing the services must either: (a) Have the required legal training to practice law; or (b) Be admitted to practice law before the courts of the jurisdiction in which such services are to be provided. | Legal services are defined as any services for which the individual providing the services must either: (a) Have the required legal training to practice law; or (b) Be admitted to practice law before the courts of the jurisdiction in which such services are to be provided. | No Changes |
| 608.2A2 | This subsection deals specifically with: • Providing legal advice. • Acting as general counsel. • Acting in an advocacy role. | This subsection deals specifically with: • Providing legal advice. • Acting as general counsel. • Acting in an advocacy role. | No Changes |
| 608.3A1 | Providing legal services to an audit client might create a self- review threat when there is a risk that the results of the services will affect the accounting records or the financial statements on which the firm will express an opinion. Such services might also create an advocacy threat. | Providing legal services to an audit client might create a self-review threat when there is a risk that the results of the services will affect the accounting records or the financial statements on which the firm will express an opinion. Such services might also create an advocacy threat. | No Changes |
| 608.4A1 | Depending on the jurisdiction, providing legal advice might include a wide and diversified range of service areas including both corporate and commercial services to audit clients, such as: • Contract support. • Supporting an audit client in executing a transaction. • Mergers and acquisitions. • Supporting and assisting an audit client's internal legal department. • Legal due diligence and restructuring. | Depending on the jurisdiction, providing legal advice might include a wide and diversified range of service areas including both corporate and commercial services to audit clients, such as: • Contract support. • Supporting an audit client in executing a transaction. • Mergers and acquisitions. • Supporting and assisting an audit client's internal legal department. • Legal due diligence and restructuring. | No Changes |
| 608.5A1 | Factors that are relevant in identifying self-review or advocacy threats created by providing legal advice to an audit client, and evaluating the level of such threats include: • The materiality of the specific matter in relation to the client's financial statements. • | Factors that are relevant in identifying self-review or advocacy threats created by providing legal advice to an audit client, and evaluating the level of such threats include: • The materiality of the specific matter in relation to the client's financial statements. • The complexity of the legal matter and the degree | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | The complexity of the legal matter and the degree of judgment necessary to provide the service. When a self-review threat for an audit client that is a public interest entity has been identified, paragraph R608.7 applies. | of judgment necessary to provide the service. When a self-review threat for an audit client that is a public interest entity has been identified, paragraph R608.7 applies. | |
| 608.5A2 | Examples of legal advice that might create a self-review threat include: • Estimating a potential loss arising from a lawsuit for the purpose of recording a provision in the client's financial statements. • Interpreting provisions in contracts that might give rise to liabilities reflected in the client's financial statements. | Examples of legal advice that might create a self-review threat include: • Estimating a potential loss arising from a lawsuit for the purpose of recording a provision in the client's financial statements. • Interpreting provisions in contracts that might give rise to liabilities reflected in the client's financial statements. | No Changes |
| 608.5A3 | Negotiating on behalf of an audit client might create an advocacy threat or might result in the firm or network firm assuming a management responsibility. | Negotiating on behalf of an audit client might create an advocacy threat or might result in the firm or network firm assuming a management responsibility. | No Changes |
| 608.6A1 | Examples of actions that might be safeguards to address self- review or advocacy threats created by providing legal advice to an audit client that is not a public interest entity include: • Using professionals who are not audit team members to perform the service might address a self-review or advocacy threat. • Having an appropriate reviewer who was not involved in providing the service review the audit work or the service performed might address a self-review threat. | Examples of actions that might be safeguards to address self-review or advocacy threats created by providing legal advice to an audit client that is not a public interest entity include: • Using professionals who are not audit team members to perform the service might address a self-review or advocacy threat. • Having an appropriate reviewer who was not involved in providing the service review the audit work or the service performed might address a self-review threat. | No Changes |
| R608.7 | A firm or a network firm shall not provide legal advice to an audit client that is a public interest entity if the provision of such a service might create a self-review threat. (Ref: Para. R600.15 and R600.17). | A firm or a network firm shall not provide legal advice to an audit client that is a public interest entity if the provision of such a service might create a self-review threat. (Ref: Para. R600.14 and R600.16). | Reference difference |
| 608.8A1 | The considerations in paragraphs 608.5 A1 and 608.5 A3 to 608.6 A1 are also relevant to evaluating and addressing advocacy threats that might be created by providing legal advice to an audit client that is a public interest entity. | The considerations in paragraphs 608.5 A1 and 608.5 A3 to 608.6 A1 are also relevant to evaluating and addressing advocacy threats that might be created by providing legal advice to an audit client that is a public interest entity. | No Changes |
| R608.9 | A partner or employee of the firm or the network firm shall not serve as General Counsel of an audit client. | A partner or employee of the firm or the network firm shall not serve as General Counsel of an audit client. | No Changes |
| 608.9A1 | The position of General Counsel is usually a senior management position with broad responsibility for the legal affairs of a company. | The position of General Counsel is usually a senior management position with broad responsibility for the legal affairs of a company. | No Changes |

**Annexure B**

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| R608.10 | A firm or a network firm shall not act in an advocacy role for an audit client that is not a public interest entity in resolving a dispute or litigation before a tribunal or court when the amounts involved are material to the financial statements on which the firm will express an opinion. | A firm or a network firm shall not act in an advocacy role for an audit client that is not a public interest entity in resolving a dispute or litigation before a tribunal or court when the amounts involved are material to the financial statements on which the firm will express an opinion. | No Changes |
| 608.10A1 | Examples of actions that might be safeguards to address a self- review or advocacy threat created when acting in an advocacy role for an audit client that is not a public interest entity include: • Using professionals who are not audit team members to perform the service. • Having an appropriate reviewer who was not involved in providing the service review the audit work or the service performed. | Examples of actions that might be safeguards to address a self-review or advocacy threat created when acting in an advocacy role for an audit client that is not a public interest entity include: • Using professionals who are not audit team members to perform the service. • Having an appropriate reviewer who was not involved in providing the service review the audit work or the service performed. | No Changes |
| R608.11 | A firm or a network firm shall not act in an advocacy role for an audit client that is a public interest entity in resolving a dispute or litigation before a tribunal or court. | A firm or a network firm shall not act in an advocacy role for an audit client that is a public interest entity in resolving a dispute or litigation before a tribunal or court. | No Changes |
| 609.1 | In addition to the specific requirements and application material in this subsection, the requirements and application material in paragraphs 600.1 to 600.28 A1 are relevant to applying the conceptual framework when providing a recruiting service to an audit client. | In addition to the specific requirements and application material in this subsection, the requirements and application material in paragraphs 600.1 to 600.27 A1 are relevant to applying the conceptual framework when providing a recruiting service to an audit client. | Reference difference |
| 609.2A1 | Recruiting services might include activities such as: • Developing a job description. • Developing a process for identifying and selecting potential candidates. • Searching for or seeking out candidates. • Screening potential candidates for the role by: Reviewing the professional qualifications or o competence of applicants and determining their suitability for the position. Undertaking reference checks of prospective o candidates. Interviewing and selecting suitable candidates and o advising on candidates' competence. • Determining employment terms and negotiating details, such as salary, hours and other compensation. | Recruiting services might include activities such as: • Developing a job description. • Developing a process for identifying and selecting potential candidates. • Searching for or seeking out candidates. • Screening potential candidates for the role by: o Reviewing the professional qualifications or competence of applicants and determining their suitability for the position. o Undertaking reference checks of prospective candidates. o Interviewing and selecting suitable candidates and advising on candidates' competence. • Determining employment terms and negotiating details, such as salary, hours and other compensation. | No Changes |
| R609.3 | Paragraph R400.20 precludes a firm or a network firm from assuming a management responsibility. When providing a recruiting service to an audit client, the firm shall be satisfied that: (a) The client assigns the responsibility to make all management | Paragraph R400.18 precludes a firm or a network firm from assuming a management responsibility. When providing a recruiting service to an audit client, the firm shall be satisfied that: (a) The client assigns the responsibility to make all management decisions with respect to hiring the candidate for the | Reference difference |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | decisions with respect to hiring the candidate for the position to a competent employee, preferably within senior management; and (b) The client makes all management decisions with respect to the hiring process, including: • Determining the suitability of prospective candidates and selecting suitable candidates for the position. • Determining employment terms and negotiating details, such as salary, hours and other compensation. | position to a competent employee, preferably within senior management; and (b) The client makes all management decisions with respect to the hiring process, including:• Determining the suitability of prospective candidates and selecting suitable candidates for the position. • Determining employment terms and negotiating details, such as salary, hours and other compensation. | |
| 609.4A1 | Providing recruiting services to an audit client might create a self- interest, familiarity or intimidation threat. | Providing recruiting services to an audit client might create a self- interest, familiarity or intimidation threat. | No Changes |
| 609.4A2 | Providing the following services does not usually create a threat as long as individuals within the firm or the network firm do not assume a management responsibility: • Reviewing the professional qualifications of a number of applicants and providing advice on their suitability for the position. • Interviewing candidates and advising on a candidate's competence for financial accounting, administrative or control positions. | Providing the following services does not usually create a threat as long as individuals within the firm or the network firm do not assume a management responsibility: • Reviewing the professional qualifications of a number of applicants and providing advice on their suitability for the position. • Interviewing candidates and advising on a candidate's competence for financial accounting, administrative or control positions. | No Changes |
| 609.4A3 | Factors that are relevant in identifying self-interest, familiarity or intimidation threats created by providing recruiting services to an audit client, and evaluating the level of such threats include: • The nature of the requested assistance. • The role of the individual to be recruited. • Any conflicts of interest or relationships that might exist between the candidates and the firm providing the advice or service. | Factors that are relevant in identifying self-interest, familiarity or intimidation threats created by providing recruiting services to an audit client, and evaluating the level of such threats include: • The nature of the requested assistance. • The role of the individual to be recruited. • Any conflicts of interest or relationships that might exist between the candidates and the firm providing the advice or service. | No Change |
| 609.4A4 | An example of an action that might be a safeguard to address such a self-interest, familiarity or intimidation threat is using professionals who are not audit team members to perform the service. | An example of an action that might be a safeguard to address such a self- interest, familiarity or intimidation threat is using professionals who are not audit team members to perform the service. | No Changes |
| R609.5 | When providing recruiting services to an audit client, the firm or the network firm shall not act as a negotiator on the client's behalf. | When providing recruiting services to an audit client, the firm or the network firm shall not act as a negotiator on the client's behalf. | No Changes |
| R609.6 | A firm or a network firm shall not provide a recruiting service to an audit client if the service relates to: (a) Searching for or seeking out candidates; (b) Undertaking reference checks of prospective candidates; | A firm or a network firm shall not provide a recruiting service to an audit client if the service relates to: (a) Searching for or seeking out candidates; (b) Undertaking reference checks of prospective candidates; (c) Recommending the person to be | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | (c) Recommending the person to be appointed; or (d) Advising on the terms of employment, remuneration or related benefits of a particular candidate, with respect to the following positions: (i) A director or officer of the entity; or (ii) A member of senior management in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion. | appointed; or (d) Advising on the terms of employment, remuneration or related benefits of a particular candidate, with respect to the following positions: (i) A director or officer of the entity; or (ii) A member of senior management in a position to exert significant influence over the preparation of the client's accounting records or the financial statements on which the firm will express an opinion. | |
| 610.1 | In addition to the specific requirements and application material in this subsection, the requirements and application material in paragraphs 600.1 to 600.28 A1 are relevant to applying the conceptual framework when providing a corporate finance service to an audit client. | In addition to the specific requirements and application material in this subsection, the requirements and application material in paragraphs 600.1 to 600.27 A1 are relevant to applying the conceptual framework when providing a corporate finance service to an audit client. | Reference difference |
| 610.2A1 | Examples of corporate finance services include: • Assisting an audit client in developing corporate strategies. • Identifying possible targets for the audit client to acquire. • Advising on the potential purchase or disposal price of an asset. • Assisting in finance raising transactions. • Providing structuring advice. • Providing advice on the structuring of a corporate finance transaction or on financing arrangements. | Examples of corporate finance services include: • Assisting an audit client in developing corporate strategies. • Identifying possible targets for the audit client to acquire. • Advising on the potential purchase or disposal price of an asset. • Assisting in finance raising transactions. • Providing structuring advice. • Providing advice on the structuring of a corporate finance transaction or on financing arrangements. | No Changes |
| 610.3A1 | Providing corporate finance services to an audit client might create a self-review threat when there is a risk that the results of the services will affect the accounting records or the financial statements on which the firm will express an opinion. Such services might also create an advocacy threat. | Providing corporate finance services to an audit client might create a self-review threat when there is a risk that the results of the services will affect the accounting records or the financial statements on which the firm will express an opinion. Such services might also create an advocacy threat. | No Changes |
| 610.4A1 | Factors that are relevant in identifying self-review or advocacy threats created by providing corporate finance services to an audit client, and evaluating the level of such threats include: • The degree of subjectivity involved in determining the appropriate treatment for the outcome or consequences of the corporate finance advice in the financial statements. • The extent to which: The outcome of the corporate finance advice will o directly affect amounts recorded in the financial statements. The outcome of the corporate finance service might o have a material effect on the financial statements. When a self-review threat for an audit client | Factors that are relevant in identifying self-review or advocacy threats created by providing corporate finance services to an audit client, and evaluating the level of such threats include: • The degree of subjectivity involved in determining the appropriate treatment for the outcome or consequences of the corporate finance advice in the financial statements. • The extent to which: o The outcome of the corporate finance advice will directly affect amounts recorded in the financial statements. o The outcome of the corporate finance service might have a material effect on the financial statements. When a self-review threat for an audit client that is a public interest entity has been identified, paragraph R610.8 applies. | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | that is a public interest entity has been identified, paragraph R610.8 applies. | | |
| R610.5 | A firm or a network firm shall not provide corporate finance services that involve promoting, dealing in, or underwriting the shares, debt or other financial instruments issued by the audit client or providing advice on investment in such shares, debt or other financial instruments. | A firm or a network firm shall not provide corporate finance services that involve promoting, dealing in, or underwriting the shares, debt or other financial instruments issued by the audit client or providing advice on investment in such shares, debt or other financial instruments. | No Changes |
| R610.6 | A firm or a network firm shall not provide advice in relation to corporate finance services to an audit client where: (a) The effectiveness of such advice depends on a particular accounting treatment or presentation in the financial statements on which the firm will express an opinion; and (b) The audit team has doubt as to the appropriateness of the related accounting treatment or presentation under the relevant financial reporting framework. | A firm or a network firm shall not provide advice in relation to corporate finance services to an audit client where: (a) The effectiveness of such advice depends on a particular accounting treatment or presentation in the financial statements on which the firm will express an opinion; and (b) The audit team has doubt as to the appropriateness of the related accounting treatment or presentation under the relevant financial reporting framework. | No Changes |
| 610.7A1 | Examples of actions that might be safeguards to address self- review or advocacy threats created by providing corporate finance services to an audit client that is not a public interest entity include: • Using professionals who are not audit team members to perform the service might address self-review or advocacy threats. • Having an appropriate reviewer who was not involved in providing the service review the audit work or service performed might address a self-review threat. | Examples of actions that might be safeguards to address self-review or advocacy threats created by providing corporate finance services to an audit client that is not a public interest entity include: • Using professionals who are not audit team members to perform the service might address self-review or advocacy threats. • Having an appropriate reviewer who was not involved in providing the service review the audit work or service performed might address a self-review threat. | No Changes |
| R610.8 | A firm or a network firm shall not provide corporate finance services to an audit client that is a public interest entity if the provision of such services might create a self-review threat. (Ref: Para. R600.15 and R600.17) | A firm or a network firm shall not provide corporate finance services to an audit client that is a public interest entity if the provision of such services might create a self-review threat. (Ref: Para. R600.14 and R600.16). | Reference difference |
| 610.8A1 | An example of an action that might be a safeguard to address advocacy threats created by providing corporate finance services to an audit client that is a public interest entity is using professionals who are not audit team members to perform the service. | An example of an action that might be a safeguard to address advocacy threats created by providing corporate finance services to an audit client that is a public interest entity is using professionals who are not audit team members to perform the service. | No Changes |
| 800.1 | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | Section 120 to identify, evaluate and address threats to independence. | | |
| 800.2 | This section sets out certain modifications to Part 4A which are permitted in certain circumstances involving audits of special purpose financial statements where the report includes a restriction on use and distribution. In this section, an engagement to issue a restricted use and distribution report in the circumstances set out in paragraph R800.3 is referred to as an "eligible audit engagement." | This section sets out certain modifications to Part 4A which are permitted in certain circumstances involving audits of special purpose financial statements where the report includes a restriction on use and distribution. In this section, an engagement to issue a restricted use and distribution report in the circumstances set out in paragraph R800.3 is referred to as an "eligible audit engagement." | No Changes |
| R800.3 | When a firm intends to issue a report on an audit of special purpose financial statements which includes a restriction on use and distribution, the independence requirements set out in Part 4A shall be eligible for the modifications that are permitted by this section, but only if: (a) The firm communicates with the intended users of the report regarding the modified independence requirements that are to be applied in providing the service; and (b) The intended users of the report understand the purpose and limitations of the report and explicitly agree to the application of the modifications. | When a firm intends to issue a report on an audit of special purpose financial statements which includes a restriction on use and distribution, the independence requirements set out in Part 4A shall be eligible for the modifications that are permitted by this section, but only if: (a) The firm communicates with the intended users of the report regarding the modified independence requirements that are to be applied in providing the service; and (b) The intended users of the report understand the purpose and limitations of the report and explicitly agree to the application of the modifications. | No Changes |
| 800.3A1 | The intended users of the report might obtain an understanding of the purpose and limitations of the report by participating, either directly, or indirectly through a representative who has authority to act for the intended users, in establishing the nature and scope of the engagement. In either case, this participation helps the firm to communicate with intended users about independence matters, including the circumstances that are relevant to applying the conceptual framework. It also allows the firm to obtain the agreement of the intended users to the modified independence requirements. | The intended users of the report might obtain an understanding of the purpose and limitations of the report by participating, either directly, or indirectly through a representative who has authority to act for the intended users, in establishing the nature and scope of the engagement. In either case, this participation helps the firm to communicate with intended users about independence matters, including the circumstances that are relevant to applying the conceptual framework. It also allows the firm to obtain the agreement of the intended users to the modified independence requirements. | No Changes |
| R800.4 | Where the intended users are a class of users who are not specifically identifiable by name at the time the engagement terms are established, the firm shall subsequently make such users aware of the modified independence requirements agreed to by their representative. | Where the intended users are a class of users who are not specifically identifiable by name at the time the engagement terms are established, the firm shall subsequently make such users aware of the modified independence requirements agreed to by their representative. | No Changes |
| 800.4A1 | For example, where the intended users are a class of users such as lenders in a | For example, where the intended users are a class of users such as lenders in a syndicated loan | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | syndicated loan arrangement, the firm might describe the modified independence requirements in an engagement letter to the representative of the lenders. The representative might then make the firm's engagement letter available to the members of the group of lenders to meet the requirement for the firm to make such users aware of the modified independence requirements agreed to by the representative. | arrangement, the firm might describe the modified independence requirements in an engagement letter to the representative of the lenders. The representative might then make the firm's engagement letter available to the members of the group of lenders to meet the requirement for the firm to make such users aware of the modified independence requirements agreed to by the representative. | |
| R800.5 | When the firm performs an eligible audit engagement, any modifications to Part 4A shall be limited to those set out in paragraphs R800.7 to R800.14. The firm shall not apply these modifications when an audit of financial statements is required by law or regulation. | When the firm performs an eligible audit engagement, any modifications to Part 4A shall be limited to those set out in paragraphs R800.7 to R800.14. The firm shall not apply these modifications when an audit of financial statements is required by law or regulation. | No Changes |
| R800.6 | If the firm also issues an audit report that does not include a restriction on use and distribution for the same client, the firm shall apply Part 4A to that audit engagement. | If the firm also issues an audit report that does not include a restriction on use and distribution for the same client, the firm shall apply Part 4A to that audit engagement. | No Changes |
| R800.7 | When the firm performs an eligible audit engagement, the firm does not need to apply the independence requirements set out in Part 4A that apply only to public interest entity audit engagements. | When the firm performs an eligible audit engagement, the firm does not need to apply the independence requirements set out in Part 4A that apply only to public interest entity audit engagements. | No Changes |
| R800.8 | When the firm performs an eligible audit engagement, references to "audit client" in Part 4A do not need to include its related entities. However, when the audit team knows or has reason to believe that a relationship or circumstance involving a related entity of the client is relevant to the evaluation of the firm's independence of the client, the audit team shall include that related entity when identifying, evaluating and addressing threats to independence. | When the firm performs an eligible audit engagement, references to "audit client" in Part 4A do not need to include its related entities. However, when the audit team knows or has reason to believe that a relationship or circumstance involving a related entity of the client is relevant to the evaluation of the firm's independence of the client, the audit team shall include that related entity when identifying, evaluating and addressing threats to independence. | No Changes |
| R800.9 | When the firm performs an eligible audit engagement, the specific requirements regarding network firms set out in Part 4A do not need to be applied. However, when the firm knows or has reason to believe that threats to independence are created by any interests and relationships of a network firm, the firm shall evaluate and address any such threat. | When the firm performs an eligible audit engagement, the specific requirements regarding network firms set out in Part 4A do not need to be applied. However, when the firm knows or has reason to believe that threats to independence are created by any interests and relationships of a network firm, the firm shall evaluate and address any such threat. | No Changes |

**Annexure B**

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| R800.10 | When the firm performs an eligible audit engagement: (a) The relevant provisions set out in Sections 510, 511, 520, 521, 522, 524 and 525 need apply only to the members of the engagement team, their immediate family members and, where applicable, close family members; (b) The firm shall identify, evaluate and address any threats to independence created by interests and relationships, as set out in Sections 510, 511, 520, 521, 522, 524 and 525, between the audit client and the following audit team members: (i) Those who provide consultation regarding technical or industry-specific issues, transactions or events; and (ii) Those who perform an engagement quality review, or a review consistent with the objective of an engagement quality review, for the engagement; and (c) The firm shall evaluate and address any threats that the engagement team has reason to believe are created by interests and relationships between the audit client and others within the firm who can directly influence the outcome of the audit engagement. | When the firm performs an eligible audit engagement: (a) The relevant provisions set out in Sections 510, 511, 520, 521, 522, 524 and 525 need apply only to the members of the engagement team, their immediate family members and, where applicable, close family members; (b) The firm shall identify, evaluate and address any threats to independence created by interests and relationships, as set out in Sections 510, 511, 520, 521, 522, 524 and 525, between the audit client and the following audit team members: (i) Those who provide consultation regarding technical or industry-specific issues, transactions or events; and (ii) Those who perform an engagement quality review, or a review consistent with the objective of an engagement quality review, for the engagement; and (c) The firm shall evaluate and address any threats that the engagement team has reason to believe are created by interests and relationships between the audit client and others within the firm who can directly influence the outcome of the audit engagement. | No Changes |
| 800.10A1 | Others within a firm who can directly influence the outcome of the audit engagement include those who recommend the compensation, or who provide direct supervisory, management or other oversight, of the audit engagement partner in connection with the performance of the audit engagement including those at all successively senior levels above the engagement partner through to the individual who is the firm's Senior or Managing Partner (Chief Executive or equivalent). | Others within a firm who can directly influence the outcome of the audit engagement include those who recommend the compensation, or who provide direct supervisory, management or other oversight, of the audit engagement partner in connection with the performance of the audit engagement including those at all successively senior levels above the engagement partner through to the individual who is the firm's Senior or Managing Partner (Chief Executive or equivalent). | No Changes |
| R800.11 | When the firm performs an eligible audit engagement, the firm shall evaluate and address any threats that the engagement team has reason to believe are created by financial interests in the audit client held by individuals, as set out in paragraphs R510.4(c) and (d), R510.5,R510.7 and 510.10 A5 and A9. | When the firm performs an eligible audit engagement, the firm shall evaluate and address any threats that the engagement team has reason to believe are created by financial interests in the audit client held by individuals, as set out in paragraphs R510.4(c) and (d), R510.5, , R510.7 and 510.10 A5 and A9 | No Changes |
| R800.12 | When the firm performs an eligible audit engagement, the firm, in applying the provisions set out in paragraphs R510.4(a),R510.6 and R510.7 to interests of the firm, shall not hold a material direct or a material indirect financial interest in the audit client. | When the firm performs an eligible audit engagement, the firm, in applying the provisions set out in paragraphs R510.4(a), R510.6 and R510.7 to interests of the firm, shall not hold a material direct or a material indirect financial interest in the audit client. | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| R800.13 | When the firm performs an eligible audit engagement, the firm shall evaluate and address any threats created by any employment relationships as set out in paragraphs 524.3 A1 to 524.5 A3. | When the firm performs an eligible audit engagement, the firm shall evaluate and address any threats created by any employment relationships as set out in paragraphs | |
| R800.14 | If the firm performs an eligible audit engagement and provides a non-assurance service to the audit client, the firm shall comply with Sections 410 to 430 and Section 600, including its subsections, subject to paragraphs R800.7 to R800.9. | If the firm performs an eligible audit engagement and provides a non-assurance service to the audit client, the firm shall comply with Sections 410 to 430 and Section 600, including its subsections, subject to paragraphs R800.7 to R800.9 | No Changes |
| 900.1 | This Part applies to assurance engagements other than audit engagements and review engagements. Examples of such engagements include: • Assurance on an entity's key performance indicators. • Assurance on an entity's compliance with law or regulation. • Assurance on performance criteria, such as value for money, achieved by a public sector body. • Assurance on the effectiveness of an entity's system of internal control. • Assurance on an entity's non-financial information, for example, environmental, social and governance disclosures, including greenhouse gas statements. • An audit of specific elements, accounts or items of a financial statement. | This Part applies to assurance engagements other than audit engagements and review engagements. Examples of such engagements include: • Assurance on an entity's key performance indicators. • Assurance on an entity's compliance with law or regulation. • Assurance on performance criteria, such as value for money, achieved by a public sector body. • Assurance on the effectiveness of an entity's system of internal control. • Assurance on an entity's greenhouse gas statement. • An audit of specific elements, accounts or items of a financial statement. | ESG related additional in IESBA covered under changes to code |
| 900.2 | In this Part, the term "professional accountant" refers to individual professional accountants in public practice and their firms. | In this Part, the term "chartered accountant" refers to individual chartered accountants in practice and their firms. | Only difference is word Chartered / Professional and "Public" |
| 900.3 | ISQM 1 requires a firm to design, implement and operate a system of quality management for assurance engagements performed by the firm. As part of this system of quality management, ISQM 1 requires the firm to establish quality objectives that address the fulfilment of responsibilities in accordance with relevant ethical requirements, including those related to independence. Under ISQM 1, relevant ethical requirements are those related to the firm, its personnel and, when applicable, others subject to the independence requirements to which the firm and the firm's engagements are subject. In addition, ISAEs and ISAs establish responsibilities for engagement partners and engagement teams at the level of the engagement. The allocation of responsibilities within a firm will | ISQM 1 requires a firm to design, implement and operate a system of quality management for assurance engagements performed by the firm. As part of this system of quality management, ISQM 1 requires the firm to establish quality objectives that address the fulfilment of responsibilities in accordance with relevant ethical requirements, including those related to independence. Under ISQM 1, relevant ethical requirements are those related to the firm, its personnel and, when applicable, others subject to the independence requirements to which the firm and the firm's engagements are subject. In addition, ISAEs and ISAs establish responsibilities for engagement partners and engagement teams at the level of the engagement. The allocation of responsibilities within a firm will depend on its size, structure and organization. Many of the provisions of Part 4B do not prescribe the specific responsibility of individuals | Terminology differs: 'chartered accountant' vs 'professional accountant'" |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | depend on its size, structure and organization. Many of the provisions of Part 4B do not prescribe the specific responsibility of individuals within the firm for actions related to independence, instead referring to "firm" for ease of reference. A firm assigns operational responsibility for compliance with independence requirements to an individual(s) in accordance with ISQM 1. Additionally, an individual professional accountant remains responsible for compliance with any provisions that apply to that accountant's activities, interests or relationships. | within the firm for actions related to independence, instead referring to "firm" for ease of reference. A firm assigns operational responsibility for compliance with independence requirements to an individual(s) in accordance with ISQM 1. Additionally, an individual chartered accountant remains responsible for compliance with any provisions that apply to that accountant's activities, interests or relationships. | |
| 900.4 | Independence is linked to the principles of objectivity and integrity. It comprises: (a) Independence of mind – the state of mind that permits the expression of a conclusion without being affected by influences that compromise professional judgment, thereby allowing an individual to act with integrity, and exercise objectivity and professional skepticism. (b) Independence in appearance – the avoidance of facts and circumstances that are so significant that a reasonable and informed third party would be likely to conclude that a firm's or an assurance team member's integrity, objectivity or professional skepticism has been compromised. In this Part, references to an individual or firm being "independent" mean that the individual or firm has complied with the provisions of this Part. | Independence is linked to the principles of objectivity and integrity. It comprises: (a) Independence of mind – the state of mind that permits the expression of a conclusion without being affected by influences that compromise professional judgment, thereby allowing an individual to act with integrity, and exercise objectivity and professional skepticism. (b) Independence in appearance – the avoidance of facts and circumstances that are so significant that a reasonable and informed third party would be likely to conclude that a firm's or an assurance team member's integrity, objectivity or professional skepticism has been compromised. In this Part, references to an individual or firm being "independent" mean that the individual or firm has complied with the provisions of this Part. | No Changes |
| 900.5 | When performing assurance engagements, the Code requires firms to comply with the fundamental principles and be independent. This Part sets out specific requirements and application material on how to apply the conceptual framework to maintain independence when performing assurance engagements other than audit or review engagements. The conceptual framework set out in Section 120 applies to independence as it does to the fundamental principles set out in Section 110. | When performing assurance engagements, the Code requires firms to comply with the fundamental principles and be independent. This Part sets out specific requirements and application material on how to apply the conceptual framework to maintain independence when performing assurance engagements other than audit or review engagements. The conceptual framework set out in Section 120 applies to independence as it does to the fundamental principles set out in Section 110. | No Changes |
| 900.6 | This Part describes: (a) Facts and circumstances, including professional activities, interests and relationships, that create or might create threats to independence; (b) Potential actions, including safeguards, that might be appropriate to address any such threats; and (c) Some situations where the threats | This Part describes: (a) Facts and circumstances, including professional activities, interests and relationships, that create or might create threats to independence; (b) Potential actions, including safeguards, that might be appropriate to address any such threats; and (c) Some situations where the threats cannot be eliminated or there can be no | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | cannot be eliminated or there can be no safeguards to reduce the threats to an acceptable level. | safeguards to reduce the threats to an acceptable level. | |
| 900.7 | In an assurance engagement, the firm aims to obtain sufficient appropriate evidence in order to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party about the subject matter information. ISAE 3000 (Revised) describes the elements and objectives of an assurance engagement conducted under that Standard, and the Assurance Framework provides a general description of assurance engagements. An assurance engagement might either be an attestation engagement or a direct engagement. | In an assurance engagement, the firm aims to obtain sufficient appropriate evidence in order to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party about the subject matter information. ISAE 3000 (Revised) describes the elements and objectives of an assurance engagement conducted under that Standard, and the Assurance Framework provides a general description of assurance engagements. An assurance engagement might either be an attestation engagement or a direct engagement. | No Changes |
| 900.8 | In this Part, the term 'assurance engagement' refers to assurance engagements other than audit engagements and review engagements. | In this Part, the term 'assurance engagement' refers to assurance engagements other than audit engagements and review engagements. | No Changes |
| 900.9 | An assurance report might include a restriction on use and distribution. If it does and the conditions set out in Section 990 are met, then the independence requirements in this Part may be modified as provided in Section 990. | An assurance report might include a restriction on use and distribution. If it does and the conditions set out in Section 990 are met, then the independence requirements in this Part may be modified as provided in Section 990. | No Changes |
| 900.10 | Independence standards for audit and review engagements are set out in Part 4A – Independence for Audit and Review Engagements. If a firm performs both an assurance engagement and an audit or review engagement for the same client, the requirements in Part 4A continue to apply to the firm, a network firm and the audit or review team members. | Independence standards for audit and review engagements are set out in Part 4A – Independence for Audit and Review Engagements. If a firm performs both an assurance engagement and an audit or review engagement for the same client, the requirements in Part 4A continue to apply to the firm, a network firm and the audit or review team members. | No Changes |
| R900.11 | A firm performing an assurance engagement shall be independent of the assurance client. | A firm performing an assurance engagement shall be independent of the assurance client. | No Changes |
| 900.11A1 | For the purposes of this Part, the assurance client in an assurance engagement is the responsible party and also, in an attestation engagement, the party taking responsibility for the subject matter information (who might be the same as the responsible party). | For the purposes of this Part, the assurance client in an assurance engagement is the responsible party and also, in an attestation engagement, the party taking responsibility for the subject matter information (who might be the same as the responsible party). | No Changes |
| 900.11A2 | The roles of the parties involved in an assurance engagement might differ and | The roles of the parties involved in an assurance engagement might differ and affect the application of | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | affect the application of the independence provisions in this Part. In the majority of attestation engagements, the responsible party and the party taking responsibility for the subject matter information are the same. This includes those circumstances where the responsible party involves another party to measure or evaluate the underlying subject matter against the criteria (the measurer or evaluator) where the responsible party takes responsibility for the subject matter information as well as the underlying subject matter. However, the responsible party or the engaging party might appoint another party to prepare the subject matter information on the basis that this party is to take responsibility for the subject matter information. In this circumstance, the responsible party and the party responsible for the subject matter information are both assurance clients for the purposes of this Part. | the independence provisions in this Part. In the majority of attestation engagements, the responsible party and the party taking responsibility for the subject matter information are the same. This includes those circumstances where the responsible party involves another party to measure or evaluate the underlying subject matter against the criteria (the measurer or evaluator) where the responsible party takes responsibility for the subject matter information as well as the underlying subject matter. However, the responsible party or the engaging party might appoint another party to prepare the subject matter information on the basis that this party is to take responsibility for the subject matter information. In this circumstance, the responsible party and the party responsible for the subject matter information are both assurance clients for the purposes of this Part. | |
| 900.11A3 | In addition to the responsible party and, in an attestation engagement, the party taking responsibility for the subject matter information, there might be other parties in relation to the engagement. For example, there might be a separate engaging party or a party who is a measurer or evaluator other than the party taking responsibility for the subject matter information. In these circumstances, applying the conceptual framework requires the professional accountant to identify and evaluate threats to the fundamental principles created by any interests or relationships with such parties, including whether any conflicts of interest might exist as described in Section 310. | In addition to the responsible party and, in an attestation engagement, the party taking responsibility for the subject matter information, there might be other parties in relation to the engagement. For example, there might be a separate engaging party or a party who is a measurer or evaluator other than the party taking responsibility for the subject matter information. In these circumstances, applying the conceptual framework requires the chartered accountant to identify and evaluate threats to the fundamental principles created by any interests or relationships with such parties, including whether any conflicts of interest might exist as described in Section 310. | Terminology differs: ‘chartered accountant’ vs ‘professional accountant’” |
| R900.12 | A firm shall apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence in relation to an assurance engagement. | A firm shall apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence in relation to an assurance engagement. | No Changes |
| R900.13 | A firm shall not assume a management responsibility related to the underlying subject matter and, in an attestation engagement, the subject matter information of an assurance engagement provided by the firm. If the firm assumes a management responsibility as part of any other service provided to the assurance client, the firm shall ensure that the responsibility is not related to the underlying subject matter and, in an attestation engagement, the subject | A firm shall not assume a management responsibility related to the underlying subject matter and, in an attestation engagement, the subject matter information of an assurance engagement provided by the firm. If the firm assumes a management responsibility as part of any other service provided to the assurance client, the firm shall ensure that the responsibility is not related to the underlying subject matter and, in an attestation engagement, the subject matter | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | matter information of the assurance engagement provided by the firm. | information of the assurance engagement provided by the firm. | |
| 900.13A1 | Management responsibilities involve controlling, leading and directing an entity, including making decisions regarding the acquisition, deployment and control of human, financial, technological, physical and intangible resources. | Management responsibilities involve controlling, leading and directing an entity, including making decisions regarding the acquisition, deployment and control of human, financial, technological, physical and intangible resources. | No Changes |
| 900.13A2 | When a firm assumes a management responsibility related to the underlying subject matter and, in an attestation engagement, the subject matter information of an assurance engagement, self- review, self-interest and familiarity threats are created. Assuming a management responsibility might create an advocacy threat because the firm becomes too closely aligned with the views and interests of management. | When a firm assumes a management responsibility related to the underlying subject matter and, in an attestation engagement, the subject matter information of an assurance engagement, self-review, self- interest and familiarity threats are created. Assuming a management responsibility might create an advocacy threat because the firm becomes too closely aligned with the views and interests of management. | No Changes |
| 900.13A3 | Determining whether an activity is a management responsibility depends on the circumstances and requires the exercise of professional judgment. Examples of activities that would be considered a management responsibility include: • Setting policies and strategic direction. • Hiring or dismissing employees. • Directing and taking responsibility for the actions of employees in relation to the employees' work for the entity. • Authorizing transactions. • Controlling or managing bank accounts or investments. • Deciding which recommendations of the firm or other third parties to implement. • Reporting to those charged with governance on behalf of management. • Taking responsibility for designing, implementing, monitoring and maintaining internal control. | Determining whether an activity is a management responsibility depends on the circumstances and requires the exercise of professional judgment. Examples of activities that would be considered a management responsibility include: • Setting policies and strategic direction. • Hiring or dismissing employees. • Directing and taking responsibility for the actions of employees in relation to the employees' work for the entity. • Authorizing transactions. • Controlling or managing bank accounts or investments • Deciding which recommendations of the firm or other third parties to implement. • Reporting to those charged with governance on behalf of management. • Taking responsibility for designing, implementing, monitoring and maintaining internal control. | No Changes |
| 900.13A4 | Examples of IT systems services that result in the assumption of a management responsibility in relation to the underlying subject matter and, in an attestation engagement, the subject matter information of an assurance engagement, include where a firm: • Stores data or manages (directly or indirectly) the hosting of data related to the underlying subject matter or subject matter information. Such services include: Acting as the only access to the data or records o related to the underlying subject matter or subject matter information. Taking custody | Examples of IT systems services that result in the assumption of a management responsibility in relation to the underlying subject matter and, in an attestation engagement, the subject matter information of an assurance engagement, include where a firm: • Stores data or manages (directly or indirectly) the hosting of data related to the underlying subject matter or subject matter information. Such services include: ○ Acting as the only access to the data or records related to the underlying subject matter or subject matter information. ○ Taking custody of or storing the data or records related to the underlying subject matter or | "Changes to the Code" section |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | of or storing the data or records o related to the underlying subject matter or subject matter information such that the assurance client's data or records are otherwise incomplete. Providing electronic security or back-up services, o such as business continuity or a disaster recovery function, for the assurance client's data or records related to the underlying subject matter or subject matter information. • Operates, maintains, or monitors an assurance client's IT systems, network or website related to the underlying subject matter or subject matter information. | subject matter information such that the assurance client's data or records are otherwise incomplete. ○ Providing electronic security or back-up services, such as business continuity or a disaster recovery function, for the assurance client's data or records related to the underlying subject matter or subject matter information. • Operates, maintains, or monitors an assurance client's IT systems, network or website related to the underlying subject matter or subject matter information. | |
| 900.13A5 | The collection, receipt, transmission and retention of data provided by an assurance client in the course of an assurance engagement or to enable the provision of a permissible non- assurance service to the assurance client does not result in an assumption of management responsibility. | The collection, receipt, transmission and retention of data provided by an assurance client in the course of an assurance engagement or to enable the provision of a permissible non-assurance service to the assurance client does not result in an assumption of management responsibility. | "Changes to the Code" section |
| 900.13A6 | Subject to compliance with paragraph R900.14, providing advice and recommendations to assist the management of an assurance client in discharging its responsibilities is not assuming a management responsibility. | Subject to compliance with paragraph R900.14, providing advice and recommendations to assist the management of an assurance client in discharging its responsibilities is not assuming a management responsibility. | ICAP 900.13A4 |
| R900.14 | When performing a professional activity for an assurance client that is related to the underlying subject matter and, in an attestation engagement, the subject matter information of the assurance engagement, the firm shall be satisfied that client management makes all related judgments and decisions that are the proper responsibility of management. This includes ensuring that the client's management: (a) Designates an individual who possesses suitable skill, knowledge and experience to be responsible at all times for the client's decisions and to oversee the activities. Such an individual, preferably within senior management, would understand: (i) The objectives, nature and results of the activities; and (ii) The respective client and firm responsibilities. However, the individual is not required to possess the expertise to perform or re-perform the activities. (b) Provides oversight of the activities and evaluates the adequacy of the results of the activity performed for the client's purpose; and (c) Accepts responsibility for the | When performing a professional activity for an assurance client that is related to the underlying subject matter and, in an attestation engagement, the subject matter information of the assurance engagement, the firm shall be satisfied that client management makes all related judgments and decisions that are the proper responsibility of management. This includes ensuring that the client's management: (a) Designates an individual who possesses suitable skill, knowledge and experience to be responsible at all times for the client's decisions and to oversee the activities. Such an individual, preferably within senior management, would understand: (i) The objectives, nature and results of the activities; and (ii) The respective client and firm responsibilities. However, the individual is not required to possess the expertise to perform or re-perform the activities. (b) Provides oversight of the activities and evaluates the adequacy of the results of the activity performed for the client's purpose; and (c) Accepts responsibility for the actions, if any, to be taken arising from the results of the activities. | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | actions, if any, to be taken arising from the results of the activities. | | |
| 900.14A1 | When technology is used in performing a professional activity for an assurance client, the requirements in paragraphs R900.13 and R900.14 apply regardless of the nature or extent of such use of the technology. | When technology is used in performing a professional activity for an assurance client, the requirements in paragraphs R900.13 and R900.14 apply regardless of the nature or extent of such use of the technology | "Changes to the Code" section |
| 900.15A1 | In some assurance engagements, whether an attestation engagement or direct engagement, there might be several responsible parties or, in an attestation engagement, several parties taking responsibility for the subject matter information. In determining whether it is necessary to apply the provisions in this Part to each individual responsible party or each individual party taking responsibility for the subject matter information in such engagements, the firm may take into account certain matters. These matters include whether an interest or relationship between the firm, or an assurance team member, and a particular responsible party or party taking responsibility for the subject matter information would create a threat to independence that is not trivial and inconsequential in the context of the subject matter information. This determination will take into account factors such as: (a) The materiality of the underlying subject matter or subject matter information for which the particular party is responsible in the context of the overall assurance engagement. (b) The degree of public interest associated with the assurance engagement. If the firm determines that the threat created by any such interest or relationship with a particular party would be trivial and inconsequential, it might not be necessary to apply all of the provisions of this section to that party. | In some assurance engagements, whether an attestation engagement or direct engagement, there might be several responsible parties or, in an attestation engagement, several parties taking responsibility for the subject matter information. In determining whether it is necessary to apply the provisions in this Part to each individual responsible party or each individual party taking responsibility for the subject matter information in such engagements, the firm may take into account certain matters. These matters include whether an interest or relationship between the firm, or an assurance team member, and a particular responsible party or party taking responsibility for the subject matter information would create a threat to independence that is not trivial and inconsequential in the context of the subject matter information. This determination will take into account factors such as: (a) The materiality of the underlying subject matter or subject matter information for which the particular party is responsible in the context of the overall assurance engagement. (b) The degree of public interest associated with the assurance engagement. If the firm determines that the threat created by any such interest or relationship with a particular party would be trivial and inconsequential, it might not be necessary to apply all of the provisions of this section to that party. | No Changes |
| R900.16 | When a firm knows or has reason to believe that interests and relationships of a network firm create a threat to the firm's independence, the firm shall evaluate and address any such threat. | When a firm knows or has reason to believe that interests and relationships of a network firm create a threat to the firm's independence, the firm shall evaluate and address any such threat. | No Changes |
| 900.16A1 | Network firms are discussed in paragraphs 400.50 A1 to 400.54 A1. | Network firms are discussed in paragraphs 400.50 A1 to 400.54 A1. | No Changes |
| R900.17 | When the assurance team knows or has reason to believe that a relationship or circumstance involving a related entity of the | When the assurance team knows or has reason to believe that a relationship or circumstance involving a related entity of the assurance client is relevant to | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | assurance client is relevant to the evaluation of the firm's independence from the client, the assurance team shall include that related entity when identifying, evaluating and addressing threats to independence. | the evaluation of the firm's independence from the client, the assurance team shall include that related entity when identifying, evaluating and addressing threats to independence. | |
| R900.30 | Independence, as required by this Part, shall be maintained during both: (a) The engagement period; and (b) The period covered by the subject matter information. | Independence, as required by this Part, shall be maintained during both: (a) The engagement period; and (b) The period covered by the subject matter information. | No Changes |
| 900.30A1 | The engagement period starts when the engagement team begins to perform assurance services with respect to the particular engagement. The engagement period ends when the assurance report is issued. When the engagement is of a recurring nature, it ends at the later of the notification by either party that the professional relationship has ended or the issuance of the final assurance report. | The engagement period starts when the engagement team begins to perform assurance services with respect to the particular engagement. The engagement period ends when the assurance report is issued. When the engagement is of a recurring nature, it ends at the later of the notification by either party that the professional relationship has ended or the issuance of the final assurance report. | No Changes |
| R900.31 | If an entity becomes an assurance client during or after the period covered by the subject matter information on which the firm will express a conclusion, the firm shall determine whether any threats to independence are created by: (a) Financial or business relationships with the assurance client during or after the period covered by the subject matter information but before accepting the assurance engagement; or (b) Previous services provided to the assurance client. | If an entity becomes an assurance client during or after the period covered by the subject matter information on which the firm will express a conclusion, the firm shall determine whether any threats to independence are created by: (a) Financial or business relationships with the assurance client during or after the period covered by the subject matter information but before accepting the assurance engagement; or (b) Previous services provided to the assurance client. | No Changes |
| R900.32 | Threats to independence are created if a non-assurance service was provided to the assurance client during, or after the period covered by the subject matter information, but before the engagement team begins to perform assurance services, and the service would not be permitted during the engagement period. In such circumstances, the firm shall evaluate and address any threat to independence created by the service. If the threats are not at an acceptable level, the firm shall only accept the assurance engagement if the threats are reduced to an acceptable level. | Threats to independence are created if a non-assurance service was provided to the assurance client during, or after the period covered by the subject matter information, but before the engagement team begins to perform assurance services, and the service would not be permitted during the engagement period. In such circumstances, the firm shall evaluate and address any threat to independence created by the service. If the threats are not at an acceptable level, the firm shall only accept the assurance engagement if the threats are reduced to an acceptable level. | No Changes |
| 900.32A1 | Examples of actions that might be safeguards to address such threats include: • Using professionals who are not assurance team members to perform the service. • Having an appropriate reviewer review the | Examples of actions that might be safeguards to address such threats include: • Using professionals who are not assurance team members to perform the service. • Having an appropriate reviewer review | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | assurance or non-assurance work as appropriate. | the assurance or non- assurance work as appropriate. | |
| R900.33 | If a non-assurance service that would not be permitted during the engagement period has not been completed and it is not practical to complete or end the service before the commencement of professional services in connection with the assurance engagement, the firm shall only accept the assurance engagement if: (a) The firm is satisfied that: (i) The non-assurance service will be completed within a short period of time; or (ii) The client has arrangements in place to transition the service to another provider within a short period of time; (b) The firm applies safeguards when necessary during the service period; and (c) The firm discusses the matter with the party engaging the firm or those charged with governance of the assurance client. | If a non-assurance service that would not be permitted during the engagement period has not been completed and it is not practical to complete or end the service before the commencement of professional services in connection with the assurance engagement, the firm shall only accept the assurance engagement if: (a) The firm is satisfied that: (i) The non-assurance service will be completed within a short period of time; or (ii) The client has arrangements in place to transition the service to another provider within a short period of time; (b) The firm applies safeguards when necessary during the service period; and (c) The firm discusses the matter with the party engaging the firm or those charged with governance of the assurance client. | No Changes |
| 900.34A1 | Paragraphs R300.9 to 300.9 A2 set out requirements and application material that is relevant to communications with a party engaging the firm or those charged with governance of the assurance client. | Paragraphs R300.9 to 300.9 A2 set out requirements and application material that is relevant to communications with a party engaging the firm or those charged with governance of the assurance client. | No Changes |
| 900.34A2 | Communication with a party engaging the firm or those charged with governance of the assurance client might be appropriate when significant judgments are made, and conclusions reached, to address threats to independence in relation to an assurance engagement because the subject matter information of that engagement is the outcome of a previously performed non-assurance service. | Communication with a party engaging the firm or those charged with governance of the assurance client might be appropriate when significant judgments are made, and conclusions reached, to address threats to independence in relation to an assurance engagement because the subject matter information of that engagement is the outcome of a previously performed non-assurance service. | No Changes |
| R900.40 | A firm shall document conclusions regarding compliance with this Part, and the substance of any relevant discussions that support those conclusions. In particular: (a) When safeguards are applied to address a threat, the firm shall document the nature of the threat and the safeguards in place or applied; and (b) When a threat required significant analysis and the firm concluded that the threat was already at an acceptable level, the firm shall document the nature of the threat and the rationale for the conclusion. | A firm shall document conclusions regarding compliance with this Part, and the substance of any relevant discussions that support those conclusions. In particular: (a) When safeguards are applied to address a threat, the firm shall document the nature of the threat and the safeguards in place or applied; and (b) When a threat required significant analysis and the firm concluded that the threat was already at an acceptable level, the firm shall document the nature of the threat and the rationale for the conclusion. | No Changes |
| 900.40A1 | Documentation provides evidence of the firm's judgments in forming conclusions | Documentation provides evidence of the firm's judgments in forming conclusions regarding | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| | regarding compliance with this Part. However, a lack of documentation does not determine whether a firm considered a particular matter or whether the firm is independent. | compliance with this Part. However, a lack of documentation does not determine whether a firm considered a particular matter or whether the firm is independent. | |
| R900.50 | If a firm concludes that a breach of a requirement in this Part has occurred, the firm shall: (a) End, suspend or eliminate the interest or relationship that created the breach; (b) Evaluate the significance of the breach and its impact on the firm's objectivity and ability to issue an assurance report; and (c) Determine whether action can be taken that satisfactorily addresses the consequences of the breach. In making this determination, the firm shall exercise professional judgment and take into account whether a reasonable and informed third party would be likely to conclude that the firm's objectivity would be compromised, and therefore, the firm would be unable to issue an assurance report. | If a firm concludes that a breach of a requirement in this Part has occurred, the firm shall: (a) End, suspend or eliminate the interest or relationship that created the breach; (b) Evaluate the significance of the breach and its impact on the firm's objectivity and ability to issue an assurance report; and (c) Determine whether action can be taken that satisfactorily addresses the consequences of the breach.In making this determination, the firm shall exercise professional judgment and take into account whether a reasonable and informed third party would be likely to conclude that the firm's objectivity would be compromised, and therefore, the firm would be unable to issue an assurance report. | No Changes |
| R900.51 | If the firm determines that action cannot be taken to address the consequences of the breach satisfactorily, the firm shall, as soon as possible, inform the party that engaged the firm or those charged with governance, as appropriate. The firm shall also take the steps necessary to end the assurance engagement in compliance with any applicable legal or regulatory requirements relevant to ending the assurance engagement. | If the firm determines that action cannot be taken to address the consequences of the breach satisfactorily, the firm shall, as soon as possible, inform the party that engaged the firm or those charged with governance, as appropriate. The firm shall also take the steps necessary to end the assurance engagement in compliance with any applicable legal or regulatory requirements relevant to ending the assurance engagement. | No Changes |
| R900.52 | If the firm determines that action can be taken to address the consequences of the breach satisfactorily, the firm shall discuss the breach and the action it has taken or proposes to take with the party that engaged the firm or those charged with governance, as appropriate. The firm shall discuss the breach and the proposed action on a timely basis, taking into account the circumstances of the engagement and the breach. | If the firm determines that action can be taken to address the consequences of the breach satisfactorily, the firm shall discuss the breach and the action it has taken or proposes to take with the party that engaged the firm or those charged with governance, as appropriate. The firm shall discuss the breach and the proposed action on a timely basis, taking into account the circumstances of the engagement and the breach. | No Changes |
| R900.53 | If the party that engaged the firm does not, or those charged with governance do not concur that the action proposed by the firm in accordance with paragraph R900.50(c) satisfactorily addresses the consequences of the breach, the firm shall take the steps necessary to end the assurance engagement in compliance with any | If the party that engaged the firm does not, or those charged with governance do not concur that the action proposed by the firm in accordance with paragraph R900.50(c) satisfactorily addresses the consequences of the breach, the firm shall take the steps necessary to end the assurance engagement in compliance with any applicable legal or regulatory | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| | applicable legal or regulatory requirements relevant to ending the assurance engagement. | requirements relevant to ending the assurance engagement. | |
| R900.54 | In complying with the requirements in paragraphs R900.50 to R900.53, the firm shall document: (a) The breach; (b) The actions taken; (c) The key decisions made; and (d) All the matters discussed with the party that engaged the firm or those charged with governance. | In complying with the requirements in paragraphs R900.50 to R900.53, the firm shall document: (a) The breach; (b) The actions taken; (c) The key decisions made; and (d) All the matters discussed with the party that engaged the firm or those charged with governance. | No Changes |
| R900.55 | If the firm continues with the assurance engagement, it shall document: (a) The conclusion that, in the firm's professional judgment, objectivity has not been compromised; and (b) The rationale for why the action taken satisfactorily addressed the consequences of the breach so that the firm could issue an assurance report. | If the firm continues with the assurance engagement, it shall document: (a) The conclusion that, in the firm's professional judgment, objectivity has not been compromised; and (b) The rationale for why the action taken satisfactorily addressed the consequences of the breach so that the firm could issue an assurance report. | No Changes |
| 905.1 | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | No Changes |
| 905.2 | Fees or other types of remuneration might create a self-interest or intimidation threat. This section sets out specific requirements and application material relevant to applying the conceptual framework to identify, evaluate and address threats to independence arising from fees charged to assurance clients. | Fees or other types of remuneration might create a self-interest or intimidation threat. This section sets out specific requirements and application material relevant to applying the conceptual framework to identify, evaluate and address threats to independence arising from fees charged to assurance clients. | No Changes |
| 905.3A1 | When fees are negotiated with and paid by an assurance client, this creates a self-interest threat and might create an intimidation threat to independence. | When fees are negotiated with and paid by an assurance client, this creates a self-interest threat and might create an intimidation threat to independence. | No Changes |
| 905.3A2 | The application of the conceptual framework requires that before a firm accepts an assurance engagement for an assurance client, the firm determines whether the threats to independence created by the fees proposed to the client are at an acceptable level. The application of the conceptual framework also requires the firm to re-evaluate such threats when facts and circumstances change during the engagement period. | The application of the conceptual framework requires that before a firm accepts an assurance engagement for an assurance client, the firm determines whether the threats to independence created by the fees proposed to the client are at an acceptable level. The application of the conceptual framework also requires the firm to re-evaluate such threats when facts and circumstances change during the engagement period. | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 905.3A3 | Factors that are relevant in evaluating the level of threats created when fees are paid by the assurance client include: • The level of the fees for the assurance engagement and the extent to which they have regard to the resources required, taking into account the firm's commercial and market priorities. • The extent of any dependency between the level of the fee for, and the outcome of, the service. • The level of the fee in the context of the service to be provided by the firm or a network firm. • The significance of the client to the firm or partner. • The nature of the client. • The nature of the assurance engagement. • The involvement of those charged with governance in agreeing fees. • Whether the level of the fee is set by an independent third party, such as a regulatory body. | Factors that are relevant in evaluating the level of threats created when fees are paid by the assurance client include: • The level of the fees for the assurance engagement and the extent to which they have regard to the resources required, taking into account the firm's commercial and market priorities. • The extent of any dependency between the level of the fee for, and the outcome of, the service. • The level of the fee in the context of the service to be provided by the firm or a network firm. • The significance of the client to the firm or partner. • The nature of the client. • The nature of the assurance engagement. • The involvement of those charged with governance in agreeing fees. • Whether the level of the fee is set by an independent third party, such as a regulatory body. | No Changes |
| 905.3A4 | The conditions, policies and procedures described in paragraphs 120.15 A3 (particularly the existence of a quality management system designed and implemented by a firm in accordance with quality management standards issued by the IAASB) might also impact the evaluation of whether the threats to independence are at an acceptable level. | The conditions, policies and procedures described in paragraphs 120.15 A3 (particularly the existence of a quality management system designed and implemented by a firm in accordance with quality management standards issued by the IAASB) might also impact the evaluation of whether the threats to independence are at an acceptable level. | No Changes |
| 905.3A5 | The requirements and application material that follow identify circumstances which might need to be further evaluated when determining whether the threats are at an acceptable level. For those circumstances, application material includes examples of additional factors that might be relevant in evaluating the threats. | The requirements and application material that follow identify circumstances which might need to be further evaluated when determining whether the threats are at an acceptable level. For those circumstances, application material includes examples of additional factors that might be relevant in evaluating the threats. Level of Fees for Assurance Engagements | No Changes |
| 905.4A1 | Determining the fees to be charged to an assurance client, whether for assurance or other services, is a business decision of the firm taking into account the facts and circumstances relevant to that specific engagement, including the requirements of technical and professional standards. | Determining the fees to be charged to an assurance client, whether for assurance or other services, is a business decision of the firm taking into account the facts and circumstances relevant to that specific engagement, including the requirements of technical and professional standards. | No Changes |
| 905.4A2 | Factors that are relevant in evaluating the level of self-interest and intimidation threats created by the level of the fee for an assurance engagement when paid by the assurance client include: • The firm's commercial rationale for the fee for the assurance engagement. • Whether undue pressure has been, or is being, applied by | Factors that are relevant in evaluating the level of self-interest and intimidation threats created by the level of the fee for an assurance engagement when paid by the assurance client include: • The firm's commercial rationale for the fee for the assurance engagement. • Whether undue pressure has been, or is being, applied by the client to reduce the fee for the assurance engagement. | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| | the client to reduce the fee for the assurance engagement. | | |
| 905.4A3 | Examples of actions that might be safeguards to address such threats include: • Having an appropriate reviewer who does not take part in the assurance engagement assess the reasonableness of the fee proposed, having regard to the scope and complexity of the engagement. • Having an appropriate reviewer who did not take part in the assurance engagement review the work performed. | Examples of actions that might be safeguards to address such threats include: • Having an appropriate reviewer who does not take part in the assurance engagement assess the reasonableness of the fee proposed, having regard to the scope and complexity of the engagement. • Having an appropriate reviewer who did not take part in the assurance engagement review the work performed. | No Changes |
| 905.5A1 | Contingent fees are fees calculated on a predetermined basis relating to the outcome of a transaction or the result of the services performed. A contingent fee charged through an intermediary is an example of an indirect contingent fee. In this section, a fee is not regarded as being contingent if established by a court or other public authority. | Contingent fees are fees calculated on a predetermined basis relating to the outcome of a transaction or the result of the services performed. A contingent fee charged through an intermediary is an example of an indirect contingent fee. In this section, a fee is not regarded as being contingent if established by a court or other public authority. | No Changes |
| R905.6 | A firm shall not charge directly or indirectly a contingent fee for an assurance engagement. | A firm shall not charge directly or indirectly a contingent fee for an assurance engagement. | No Changes |
| R905.7 | A firm shall not charge directly or indirectly a contingent fee for a non-assurance service provided to an assurance client if the outcome of the non-assurance service, and therefore the amount of the fee, is dependent on a future or contemporary judgment related to a matter that is material to the subject matter information of the assurance engagement. | A firm shall not charge directly or indirectly a contingent fee for a non- assurance service provided to an assurance client if the outcome of the non-assurance service, and therefore the amount of the fee, is dependent on a future or contemporary judgment related to a matter that is material to the subject matter information of the assurance engagement. | No Changes |
| 905.7A1 | Paragraphs R905.6 and R905.7 preclude a firm from entering into certain contingent fee arrangements with an assurance client. Even if a contingent fee arrangement is not precluded when providing a non-assurance service to an assurance client, it might still impact the level of the self-interest threat. | Paragraphs R905.6 and R905.7 preclude a firm from entering into certain contingent fee arrangements with an assurance client. Even if a contingent fee arrangement is not precluded when providing a non-assurance service to an assurance client, it might still impact the level of the self-interest threat. | No Changes |
| 905.7A2 | Factors that are relevant in evaluating the level of such a threat include: • The range of possible fee amounts. • Whether an appropriate authority determines the outcome on which the contingent fee depends. • Disclosure to intended users of the work performed by the firm and the basis of remuneration. • The nature of the service. | Factors that are relevant in evaluating the level of such a threat include: • The range of possible fee amounts. • Whether an appropriate authority determines the outcome on which the contingent fee depends. • Disclosure to intended users of the work performed by the firm and the basis of remuneration. • The nature of the service. • The effect of the event or transaction on the subject matter information. | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | • The effect of the event or transaction on the subject matter information. | | |
| 905.7A3 | Examples of actions that might be safeguards to address such a self-interest threat include: • Having an appropriate reviewer who was not involved in performing the non-assurance service review the relevant assurance work. • Obtaining an advance written agreement with the client on the basis of remuneration. | Examples of actions that might be safeguards to address such a self- interest threat include: • Having an appropriate reviewer who was not involved in performing the non-assurance service review the relevant assurance work. • Obtaining an advance written agreement with the client on the basis of remuneration. | [The Contingent Fees is not allowed in the Chartered Accountants Ordinance, 1961 (clause 9 of Schedule I of Part I). Relevant provision is reproduced below: "A Chartered Accountant in practice shall be deemed to be guilty of professional misconduct, if he- (9) charges or offers to charge, accepts or offers to accept in respect of any professional employment fees which are based on a percentage of profits or which are contingent upon the findings or results of such employment except in cases which are permitted under any law for the time being in force or by an order of the Government;"]. |
| 905.8A1 | The level of the self-interest threat might be impacted if fees payable by the assurance client for the assurance engagement or other services are overdue during the period of the assurance engagement. | The level of the self-interest threat might be impacted if fees payable by the assurance client for the assurance engagement or other services are overdue during the period of the assurance engagement. | No Changes |
| 905.8A2 | It is generally expected that the firm will obtain payment of such fees before the assurance report is issued. | It is generally expected that the firm will obtain payment of such fees before the assurance report is issued. | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 905.8A3 | Factors that are relevant in evaluating the level of such a self- interest threat include: • The significance of the overdue fees to the firm. • The length of time the fees have been overdue. • The firm's assessment of the ability and willingness of the client or other relevant party to pay the overdue fee. | Factors that are relevant in evaluating the level of such a self-interest threat include: • The significance of the overdue fees to the firm. • The length of time the fees have been overdue. • The firm's assessment of the ability and willingness of the client or other relevant party to pay the overdue fee. | No Changes |
| 905.8A4 | Examples of actions that might be safeguards to address such a threat include: • Obtaining partial payment of overdue fees. • Having an appropriate reviewer who did not take part in the assurance engagement review the work performed. | Examples of actions that might be safeguards to address such a threat include: • Obtaining partial payment of overdue fees. • Having an appropriate reviewer who did not take part in the assurance engagement review the work performed. | No Changes |
| R905.9 | When a significant part of the fees due from an assurance client remains unpaid for a long time, the firm shall determine: (a) Whether the overdue fees might be equivalent to a loan to the client, in which case the requirements and application material set out in Section 911 are applicable; and (b) Whether it is appropriate for the firm to be re-appointed or continue the assurance engagement. | When a significant part of the fees due from an assurance client remains unpaid for a long time, the firm shall determine: (a) Whether the overdue fees might be equivalent to a loan to the client, in which case the requirements and application material set out in Section 911 are applicable; and (b) Whether it is appropriate for the firm to be re-appointed or continue the assurance engagement. | No Changes |
| 905.10A1 | When the total fees generated from an assurance client by the firm expressing the conclusion in an assurance engagement represent a large proportion of the total fees of that firm, the dependence on, and concern about the potential loss of, fees from that client impact the level of the self-interest threat and create an intimidation threat. | When the total fees generated from an assurance client by the firm expressing the conclusion in an assurance engagement represent a large proportion of the total fees of that firm, the dependence on, and concern about the potential loss of, fees from that client impact the level of the self-interest threat and create an intimidation threat. | No Changes |
| 905.10A2 | A self-interest and intimidation threat is created in the circumstances described in paragraph 905.10 A1 even if the assurance client is not responsible for negotiating or paying the fees for the assurance engagement. | A self-interest and intimidation threat is created in the circumstances described in paragraph 905.10 A1 even if the assurance client is not responsible for negotiating or paying the fees for the assurance engagement. | No Changes |
| 905.10A3 | In calculating the total fees of the firm, the firm might use financial information available from the previous financial year and estimate the proportion based on that information if appropriate. | In calculating the total fees of the firm, the firm might use financial information available from the previous financial year and estimate the proportion based on that information if appropriate. | No Changes |
| 905.10A4 | Factors that are relevant in evaluating the level of such self- interest and intimidation threats include: • The operating structure of the firm. • Where the firm is expected to | Factors that are relevant in evaluating the level of such self-interest and intimidation threats include: • The operating structure of the firm. • Where the firm is expected to diversify such that any dependence on the assurance client is reduced. | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| | diversify such that any dependence on the assurance client is reduced. | | |
| 905.10A5 | Examples of actions that might be safeguards to address such threats include: • Reducing the extent of services other than assurance engagements provided to the client. • Increasing the client base of the firm to reduce dependence on the assurance client. | Examples of actions that might be safeguards to address such threats include: • Reducing the extent of services other than assurance engagements provided to the client. • Increasing the client base of the firm to reduce dependence on the assurance client. | No Changes |
| 905.10A6 | A self-interest or intimidation threat is created when the fees generated by a firm from an assurance client represent a large proportion of the revenue from an individual partner's clients. | A self-interest or intimidation threat is created when the fees generated by a firm from an assurance client represent a large proportion of the revenue from an individual partner's clients. | No Changes |
| 905.10A7 | Factors that are relevant in evaluating the level of such threats include: • The qualitative and quantitative significance of the assurance client to the partner. • The extent to which the compensation of the partner is dependent upon the fees generated from the client. | Factors that are relevant in evaluating the level of such threats include: • The qualitative and quantitative significance of the assurance client to the partner. • The extent to which the compensation of the partner is dependent upon the fees generated from the client. | No Changes |
| 905.10A8 | Examples of actions that might be safeguards to address such a self-interest or intimidation threat include: • Having an appropriate reviewer who was not an assurance team member review the work. • Ensuring that the compensation of the partner is not significantly influenced by the fees generated from the assurance client. • Increasing the client base of the partner to reduce dependence on the client. | Examples of actions that might be safeguards to address such a self- interest or intimidation threat include: • Having an appropriate reviewer who was not an assurance team member review the work. • Ensuring that the compensation of the partner is not significantly influenced by the fees generated from the assurance client. • Increasing the client base of the partner to reduce dependence on the client. | No Changes |
| 906.1 | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | No Changes |
| 906.2 | Accepting gifts and hospitality from an assurance client might create a self-interest, familiarity or intimidation threat. This section sets out a specific requirement and application material relevant to applying the conceptual framework in such circumstances. | Accepting gifts and hospitality from an assurance client might create a self-interest, familiarity or intimidation threat. This section sets out a specific requirement and application material relevant to applying the conceptual framework in such circumstances. | No Changes |
| R906.3 | A firm or an assurance team member shall not accept gifts and hospitality from an assurance client, unless the value is trivial and inconsequential. | A firm or an assurance team member shall not accept gifts and hospitality from an assurance client, unless the value is trivial and inconsequential. | No Changes |

**Annexure B**

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| 906.3A1 | Where a firm or assurance team member is offering or accepting an inducement to or from an assurance client, the requirements and application material set out in Section 340 apply and non- compliance with these requirements might create threats to independence. | Where a firm or assurance team member is offering or accepting an inducement to or from an assurance client, the requirements and application material set out in Section 340 apply and non-compliance with these requirements might create threats to independence. | No Change |
| 906.3A2 | The requirements set out in Section 340 relating to offering or accepting inducements do not allow a firm or assurance team member to accept gifts and hospitality where the intent is to improperly influence behavior even if the value is trivial and inconsequential. | The requirements set out in Section 340 relating to offering or accepting inducements do not allow a firm or assurance team member to accept gifts and hospitality where the intent is to improperly influence behavior even if the value is trivial and inconsequential. | No Changes |
| 907.1 | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | No Changes |
| 907.2 | When litigation with an assurance client occurs, or appears likely, self-interest and intimidation threats are created. This section sets out specific application material relevant to applying the conceptual framework in such circumstances. | When litigation with an assurance client occurs, or appears likely, self- interest and intimidation threats are created. This section sets out specific application material relevant to applying the conceptual framework in such circumstances. | No Changes |
| 907.3A1 | The relationship between client management and assurance team members must be characterized by complete candor and full disclosure regarding all aspects of a client's operations. Adversarial positions might result from actual or threatened litigation between an assurance client and the firm or an assurance team member. Such adversarial positions might affect management's willingness to make complete disclosures and create self-interest and intimidation threats. | The relationship between client management and assurance team members must be characterized by complete candor and full disclosure regarding all aspects of a client's operations. Adversarial positions might result from actual or threatened litigation between an assurance client and the firm or an assurance team member. Such adversarial positions might affect management's willingness to make complete disclosures and create self-interest and intimidation threats. | No Changes |
| 907.3A2 | Factors that are relevant in evaluating the level of such threats include: • The materiality of the litigation. • Whether the litigation relates to a prior assurance engagement. | Factors that are relevant in evaluating the level of such threats include: • The materiality of the litigation. • Whether the litigation relates to a prior assurance engagement. | No Changes |
| 907.3A3 | If the litigation involves an assurance team member, an example of an action that might eliminate such self-interest and intimidation threats is removing that individual from the assurance team. | If the litigation involves an assurance team member, an example of an action that might eliminate such self-interest and intimidation threats is removing that individual from the assurance team. | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| 907.3A4 | An example of an action that might be a safeguard to address such self-interest and intimidation threats is having an appropriate reviewer review the work performed. | An example of an action that might be a safeguard to address such self- interest and intimidation threats is having an appropriate reviewer review the work performed. | No Changes |
| 910.1 | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | No Changes |
| 910.2 | Holding a financial interest in an assurance client might create a self-interest threat. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | Holding a financial interest in an assurance client might create a self-interest threat. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | No Changes |
| 910.3A1 | A financial interest might be held directly or indirectly through an intermediary such as a collective investment vehicle, an estate or a trust. When a beneficial owner has control over the intermediary or ability to influence its investment decisions, the Code defines that financial interest to be direct. Conversely, when a beneficial owner has no control over the intermediary or ability to influence its investment decisions, the Code defines that financial interest to be indirect. | A financial interest might be held directly or indirectly through an intermediary such as a collective investment vehicle, an estate or a trust. When a beneficial owner has control over the intermediary or ability to influence its investment decisions, the Code defines that financial interest to be direct. Conversely, when a beneficial owner has no control over the intermediary or ability to influence its investment decisions, the Code defines that financial interest to be indirect. | No Changes |
| 910.3A2 | This section contains references to the “materiality” of a financial interest. In determining whether such an interest is material to an individual, the combined net worth of the individual and the individual’s immediate family members may be taken into account. | This section contains references to the “materiality” of a financial interest. In determining whether such an interest is material to an individual, the combined net worth of the individual and the individual’s immediate family members may be taken into account. | No Changes |
| 910.3A3 | Factors that are relevant in evaluating the level of a self-interest threat created by holding a financial interest in an assurance client include: • The role of the individual holding the financial interest. • Whether the financial interest is direct or indirect. • The materiality of the financial interest. | Factors that are relevant in evaluating the level of a self-interest threat created by holding a financial interest in an assurance client include: • The role of the individual holding the financial interest. • Whether the financial interest is direct or indirect. • The materiality of the financial interest. Financial Interests Held by the Firm, Assurance Team Members and Immediate Family | Slight change |
| R910.4 | A direct financial interest or a material indirect financial interest in the assurance client shall not be held by: (a) The firm; or (b) An assurance team member or any of that individual’s immediate family. | A direct financial interest or a material indirect financial interest in the assurance client shall not be held by: (a) The firm; or (b) An assurance team member or any of that individual’s immediate family. | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| R910.5 | When an entity has a controlling interest in the assurance client and the client is material to the entity, neither the firm, nor an assurance team member, nor any of that individual's immediate family shall hold a direct or material indirect financial interest in that entity. | When an entity has a controlling interest in the assurance client and the client is material to the entity, neither the firm, nor an assurance team member, nor any of that individual's immediate family shall hold a direct or material indirect financial interest in that entity. | |
| R910.6 | Paragraph R910.4 shall also apply to a financial interest in an assurance client held in a trust for which the firm or individual acts as trustee unless: (a) None of the following is a beneficiary of the trust: the trustee, the assurance team member or any of that individual's immediate family, or the firm; (b) The interest in the assurance client held by the trust is not material to the trust; (c) The trust is not able to exercise significant influence over the assurance client; and (d) None of the following can significantly influence any investment decision involving a financial interest in the assurance client: the trustee, the assurance team member or any of that individual's immediate family, or the firm. | Paragraph R910.4 shall also apply to a financial interest in an assurance client held in a trust for which the firm or individual acts as trustee unless: (a) None of the following is a beneficiary of the trust: the trustee, the assurance team member or any of that individual's immediate family, or the firm; (b) The interest in the assurance client held by the trust is not material to the trust; (c) The trust is not able to exercise significant influence over the assurance client; and (d) None of the following can significantly influence any investment decision involving a financial interest in the assurance client: the trustee, the assurance team member or any of that individual's immediate family, or the firm. | No Changes |
| R910.7 | If a firm, an assurance team member, or any of that individual's immediate family, receives a direct financial interest or a material indirect financial interest in an assurance client by way of an inheritance, gift, as a result of a merger, or in similar circumstances and the interest would not otherwise be permitted to be held under this section, then: (a) If the interest is received by the firm, the financial interest shall be disposed of immediately, or enough of an indirect financial interest shall be disposed of so that the remaining interest is no longer material; or (b) If the interest is received by an assurance team member, or by any of that individual's immediate family, the individual who received the financial interest shall immediately dispose of the financial interest, or dispose of enough of an indirect financial interest so that the remaining interest is no longer material. | If a firm, an assurance team member, or any of that individual's immediate family, receives a direct financial interest or a material indirect financial interest in an assurance client by way of an inheritance, gift, as a result of a merger, or in similar circumstances and the interest would not otherwise be permitted to be held under this section, then: (a) If the interest is received by the firm, the financial interest shall be disposed of immediately, or enough of an indirect financial interest shall be disposed of so that the remaining interest is no longer material; or (b) If the interest is received by an assurance team member, or by any of that individual's immediate family, the individual who received the financial interest shall immediately dispose of the financial interest, or dispose of enough of an indirect financial interest so that the remaining interest is no longer material. | No Changes |
| 910.8A1 | A self-interest threat might be created if an assurance team member knows that a close family member has a direct financial interest or a material indirect financial interest in the assurance client. | A self-interest threat might be created if an assurance team member knows that a close family member has a direct financial interest or a material indirect financial interest in the assurance client. | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 910.8A2 | Factors that are relevant in evaluating the level of such a threat include: • The nature of the relationship between the assurance team member and the close family member. • Whether the financial interest is direct or indirect. • The materiality of the financial interest to the close family member. | Factors that are relevant in evaluating the level of such a threat include: • The nature of the relationship between the assurance team member and the close family member. • Whether the financial interest is direct or indirect. • The materiality of the financial interest to the close family member. | No Changes |
| 910.8A3 | Examples of actions that might eliminate such a self-interest threat include: • Having the close family member dispose, as soon as practicable, of all of the financial interest or dispose of enough of an indirect financial interest so that the remaining interest is no longer material. • Removing the individual from the assurance team. | Examples of actions that might eliminate such a self-interest threat include: • Having the close family member dispose, as soon as practicable, of all of the financial interest or dispose of enough of an indirect financial interest so that the remaining interest is no longer material. • Removing the individual from the assurance team. | No Change |
| 910.8A4 | An example of an action that might be a safeguard to address such a self-interest threat is having an appropriate reviewer review the work of the assurance team member. | An example of an action that might be a safeguard to address such a self- interest threat is having an appropriate reviewer review the work of the assurance team member. | No Changes |
| 910.8A5 | A self-interest threat might be created if an assurance team member knows that a financial interest is held in the assurance client by individuals such as: • Partners and professional employees of the firm, apart from those who are specifically not permitted to hold such financial interests by paragraph R910.4, or their immediate family members. • Individuals with a close personal relationship with an assurance team member. | A self-interest threat might be created if an assurance team member knows that a financial interest is held in the assurance client by individuals such as: • Partners and professional employees of the firm, apart from those who are specifically not permitted to hold such financial interests by paragraph R910.4, or their immediate family members. • Individuals with a close personal relationship with an assurance team member. | No Change |
| 910.8A6 | An example of an action that might eliminate such a self-interest threat is removing the assurance team member with the personal relationship from the assurance team. | An example of an action that might eliminate such a self-interest threat is removing the assurance team member with the personal relationship from the assurance team. | No Changes |
| 910.8A7 | Examples of actions that might be safeguards to address such a self-interest threat include: • Excluding the assurance team member from any significant decision-making concerning the assurance engagement. • Having an appropriate reviewer review the work of the assurance team member. | Examples of actions that might be safeguards to address such a self- interest threat include: • Excluding the assurance team member from any significant decision-making concerning the assurance engagement. • Having an appropriate reviewer review the work of the assurance team member. | No Changes |
| 911.1 | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
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| 911.2 | A loan or a guarantee of a loan with an assurance client might create a self-interest threat. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | A loan or a guarantee of a loan with an assurance client might create a self-interest threat. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | No Changes |
| 911.3A1 | This section contains references to the "materiality" of a loan or guarantee. In determining whether such a loan or guarantee is material to an individual, the combined net worth of the individual and the individual's immediate family members may be taken into account. | This section contains references to the "materiality" of a loan or guarantee. In determining whether such a loan or guarantee is material to an individual, the combined net worth of the individual and the individual's immediate family members may be taken into account. | No Change |
| R911.4 | A firm, an assurance team member, or any of that individual's immediate family shall not make or guarantee a loan to an assurance client unless the loan or guarantee is immaterial to both: (a) The firm or the individual making the loan or guarantee, as applicable; and (b) The client. | A firm, an assurance team member, or any of that individual's immediate family shall not make or guarantee a loan to an assurance client unless the loan or guarantee is immaterial to both: (a) The firm or the individual making the loan or guarantee, as applicable; and (b) The client. | No Changes |
| R911.5 | A firm, an assurance team member, or any of that individual's immediate family shall not accept a loan, or a guarantee of a loan, from an assurance client that is a bank or a similar institution unless the loan or guarantee is made under normal lending procedures, terms and conditions. | A firm, an assurance team member, or any of that individual's immediate family shall not accept a loan, or a guarantee of a loan, from an assurance client that is a bank or a similar institution unless the loan or guarantee is made under normal lending procedures, terms and conditions. | No Change |
| 911.5A1 | Examples of loans include mortgages, bank overdrafts, car loans and credit card balances. | Examples of loans include mortgages, bank overdrafts, car loans and credit card balances. | No Change |
| 911.5A2 | Even if a firm receives a loan from an assurance client that is a bank or similar institution under normal lending procedures, terms and conditions, the loan might create a self-interest threat if it is material to the assurance client or firm receiving the loan. | Even if a firm receives a loan from an assurance client that is a bank or similar institution under normal lending procedures, terms and conditions, the loan might create a self-interest threat if it is material to the assurance client or firm receiving the loan. | No Change |
| 911.5A3 | An example of an action that might be a safeguard to address such a self-interest threat is having the work reviewed by an appropriate reviewer, who is not an assurance team member, from a network firm that is not a beneficiary of the loan. | An example of an action that might be a safeguard to address such a self- interest threat is having the work reviewed by an appropriate reviewer, who is not an assurance team member, from a network firm that is not a beneficiary of the loan. | No Change |
| R911.6 | A firm, an assurance team member, or any of that individual's immediate family shall not have deposits or a brokerage account with an assurance client that is a bank, broker, or similar institution, unless the deposit or | A firm, an assurance team member, or any of that individual's immediate family shall not have deposits or a brokerage account with an assurance client that is a bank, broker, or similar institution, unless the | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | account is held under normal commercial terms. | deposit or account is held under normal commercial terms. | |
| R911.7 | A firm or an assurance team member, or any of that individual's immediate family, shall not accept a loan from, or have a borrowing guaranteed by, an assurance client that is not a bank or similar institution, unless the loan or guarantee is immaterial to both: (a) The firm, or the individual receiving the loan or guarantee, as applicable; and (b) The client. | A firm or an assurance team member, or any of that individual's immediate family, shall not accept a loan from, or have a borrowing guaranteed by, an assurance client that is not a bank or similar institution, unless the loan or guarantee is immaterial to both: (a) The firm, or the individual receiving the loan or guarantee, as applicable; and (b) The client. | No Changes |
| 920.1 | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | No Changes |
| 920.2 | A close business relationship with an assurance client or its management might create a self-interest or intimidation threat. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | A close business relationship with an assurance client or its management might create a self-interest or intimidation threat. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | No Changes |
| 920.3A1 | This section contains references to the "materiality" of a financial interest and the "significance" of a business relationship. In determining whether such a financial interest is material to an individual, the combined net worth of the individual and the individual's immediate family members may be taken into account. | This section contains references to the "materiality" of a financial interest and the "significance" of a business relationship. In determining whether such a financial interest is material to an individual, the combined net worth of the individual and the individual's immediate family members may be taken into account. | No Changes |
| 920.3A2 | Examples of a close business relationship arising from a commercial relationship or common financial interest include: • Having a financial interest in a joint venture with either the assurance client or a controlling owner, director or officer or other individual who performs senior managerial activities for that client. • Arrangements to combine one or more services or products of the firm with one or more services or products of the client and to market the package with reference to both parties. • Arrangements under which the firm sells, resells, distributes or markets the client's products or services, or the client sells, resells, distributes or markets the firm's products or services. • Arrangements under which a firm develops jointly with the client, products or | Examples of a close business relationship arising from a commercial relationship or common financial interest include: • Having a financial interest in a joint venture with either the assurance client or a controlling owner, director or officer or other individual who performs senior managerial activities for that client. • Arrangements to combine one or more services or products of the firm with one or more services or products of the client and to market the package with reference to both parties. • Distribution or marketing arrangements under which the firm distributes or markets the client's products or services, or the client distributes or markets the firm's products or services. | Slight difference |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | solutions which one or both parties sell or license to third parties. | | |
| 920.3A3 | An example that might create a close business relationship, depending on the facts and circumstances, is an arrangement under which the firm licenses products or solutions to or from the assurance client. | An example that might create a close business relationship, depending on the facts and circumstances, is an arrangement under which the firm licenses products or solutions to or from the assurance client. | "Changes to the Code" section |
| R920.4 | A firm or an assurance team member shall not have a close business relationship with an assurance client or its management unless any financial interest is immaterial and the business relationship is insignificant to the client or its management and the firm or the assurance team member, as applicable. | A firm or an assurance team member shall not have a close business relationship with an assurance client or its management unless any financial interest is immaterial and the business relationship is insignificant to the client or its management and the firm or the assurance team member, as applicable. | No Changes |
| 920.4A1 | A self-interest or intimidation threat might be created if there is a close business relationship between the assurance client or its management and the immediate family of an assurance team member. | A self-interest or intimidation threat might be created if there is a close business relationship between the assurance client or its management and the immediate family of an assurance team member. | No Changes |
| 920.5A1 | The purchase of goods and services, including the licensing of technology from an assurance client by a firm, or an assurance team member, or any of that individual's immediate family does not usually create a threat to independence if the transaction is in the normal course of business and at arm's length. However, such transactions might be of such a nature and magnitude that they create a self-interest threat. | The purchase of goods and services from an assurance client by a firm, or an assurance team member, or any of that individual's immediate family does not usually create a threat to independence if the transaction is in the normal course of business and at arm's length. However, such transactions might be of such a nature and magnitude that they create a self-interest threat. | Slight difference related to technology |
| 920.5A2 | Examples of actions that might eliminate such a self-interest threat include: • Eliminating or reducing the magnitude of the transaction. • Removing the individual from the assurance team. | Examples of actions that might eliminate such a self-interest threat include: • Eliminating or reducing the magnitude of the transaction. • Removing the individual from the assurance team. | No Change |
| 920.6A1 | Where a firm provides, sells, resells or licenses technology: (a) To an assurance client; or (b) To an entity that provides services using such technology to assurance clients of the firm, depending on the facts and circumstances, the requirements and application material in Section 950 apply. | Where a firm provides, sells, resells or licenses technology: (a) To an assurance client; or (b) To an entity that provides services using such technology to assurance clients of the firm, depending on the facts and circumstances, the requirements and application material in Section 950 apply. | "Changes to the Code" section |
| 921.1 | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | Section 120 to identify, evaluate and address threats to independence. | | |
| 921.2 | Family or personal relationships with client personnel might create a self-interest, familiarity or intimidation threat. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | Family or personal relationships with client personnel might create a self-interest, familiarity or intimidation threat. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | No Changes |
| 921.3A1 | A self-interest, familiarity or intimidation threat might be created by family and personal relationships between an assurance team member and a director or officer or, depending on their role, certain employees of the assurance client. | A self-interest, familiarity or intimidation threat might be created by family and personal relationships between an assurance team member and a director or officer or, depending on their role, certain employees of the assurance client. | No Changes |
| 921.3A2 | Factors that are relevant in evaluating the level of such threats include: • The individual's responsibilities on the assurance team. • The role of the family member or other individual within the assurance client, and the closeness of the relationship. | Factors that are relevant in evaluating the level of such threats include: • The individual's responsibilities on the assurance team. • The role of the family member or other individual within the assurance client, and the closeness of the relationship. | No Changes |
| 921.4A1 | A self-interest, familiarity or intimidation threat is created when an immediate family member of an assurance team member is an employee in a position to exert significant influence over the underlying subject matter of the assurance engagement. | A self-interest, familiarity or intimidation threat is created when an immediate family member of an assurance team member is an employee in a position to exert significant influence over the underlying subject matter of the assurance engagement. | No Changes |
| 921.4A2 | Factors that are relevant in evaluating the level of such threats include: • The position held by the immediate family member. • The role of the assurance team member. | Factors that are relevant in evaluating the level of such threats include: • The position held by the immediate family member. • The role of the assurance team member. | No Changes |
| 921.4A3 | An example of an action that might eliminate such a self-interest, familiarity or intimidation threat is removing the individual from the assurance team. | An example of an action that might eliminate such a self-interest, familiarity or intimidation threat is removing the individual from the assurance team. | No Changes |
| 921.4A4 | An example of an action that might be a safeguard to address such a self-interest, familiarity or intimidation threat is structuring the responsibilities of the assurance team so that the assurance team member does not deal with matters that are within the responsibility of the immediate family member. | An example of an action that might be a safeguard to address such a self- interest, familiarity or intimidation threat is structuring the responsibilities of the assurance team so that the assurance team member does not deal with matters that are within the responsibility of the immediate family member. | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| R921.5 | An individual shall not participate as an assurance team member when any of that individual's immediate family: (a) Is a director or officer of the assurance client; (b) In an attestation engagement, is an employee in a position to exert significant influence over the subject matter information of the assurance engagement; or (c) Was in such a position during any period covered by the engagement or the subject matter information. | An individual shall not participate as an assurance team member when any of that individual's immediate family: (a) Is a director or officer of the assurance client; (b) In an attestation engagement, is an employee in a position to exert significant influence over the subject matter information of the assurance engagement; or (c) Was in such a position during any period covered by the engagement or the subject matter information. | No Change |
| 921.6A1 | A self-interest, familiarity or intimidation threat is created when a close family member of an assurance team member is: (a) A director or officer of the assurance client; or (b) An employee in a position to exert significant influence over the underlying subject matter or, in an attestation engagement, an employee in a position to exert significant influence over the subject matter information of the assurance engagement. | A self-interest, familiarity or intimidation threat is created when a close family member of an assurance team member is: (a) A director or officer of the assurance client; or (b) An employee in a position to exert significant influence over the underlying subject matter or, in an attestation engagement, an employee in a position to exert significant influence over the subject matter information of the assurance engagement. | No Changes |
| 921.6A2 | Factors that are relevant in evaluating the level of such threats include: • The nature of the relationship between the assurance team member and the close family member. • The position held by the close family member. • The role of the assurance team member. | Factors that are relevant in evaluating the level of such threats include: • The nature of the relationship between the assurance team member and the close family member. • The position held by the close family member. • The role of the assurance team member. | No Changes |
| 921.6A3 | An example of an action that might eliminate such a self-interest, familiarity or intimidation threat is removing the individual from the assurance team. | An example of an action that might eliminate such a self-interest, familiarity or intimidation threat is removing the individual from the assurance team. | No Changes |
| 921.6A4 | An example of an action that might be a safeguard to address such a self-interest, familiarity or intimidation threat is structuring the responsibilities of the assurance team so that the assurance team member does not deal with matters that are within the responsibility of the close family member. | An example of an action that might be a safeguard to address such a self- interest, familiarity or intimidation threat is structuring the responsibilities of the assurance team so that the assurance team member does not deal with matters that are within the responsibility of the close family member. | No Changes |
| R921.7 | An assurance team member shall consult in accordance with firm policies and procedures if the assurance team member has a close relationship with an individual who is not an immediate or close family member, but who is: (a) A director or officer of the assurance client; or (b) An employee in a position to exert significant influence over the underlying subject matter or, in an attestation engagement, an employee in a | An assurance team member shall consult in accordance with firm policies and procedures if the assurance team member has a close relationship with an individual who is not an immediate or close family member, but who is: (a) A director or officer of the assurance client; or (b) An employee in a position to exert significant influence over the underlying subject matter or, in an attestation engagement, an employee in a position to exert | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | position to exert significant influence over the subject matter information of the assurance engagement. | significant influence over the subject matter information of the assurance engagement. | |
| 921.7A1 | Factors that are relevant in evaluating the level of a self-interest, familiarity or intimidation threat created by such relationships include: • The nature of the relationship between the individual and the assurance team member. • The position the individual holds with the client. • The role of the assurance team member. | Factors that are relevant in evaluating the level of a self-interest, familiarity or intimidation threat created by such relationships include: • The nature of the relationship between the individual and the assurance team member. • The position the individual holds with the client. • The role of the assurance team member. | No Changes |
| 921.7A2 | An example of an action that might eliminate such a self-interest, familiarity or intimidation threat is removing the individual from the assurance team. | An example of an action that might eliminate such a self-interest, familiarity or intimidation threat is removing the individual from the assurance team. | No Changes |
| 921.7A3 | An example of an action that might be a safeguard to address such a self-interest, familiarity or intimidation threat is structuring the responsibilities of the assurance team so that the assurance team member does not deal with matters that are within the responsibility of the individual with whom the assurance team member has a close relationship. | An example of an action that might be a safeguard to address such a self- interest, familiarity or intimidation threat is structuring the responsibilities of the assurance team so that the assurance team member does not deal with matters that are within the responsibility of the individual with whom the assurance team member has a close relationship. | No Changes |
| 921.8A1 | A self-interest, familiarity or intimidation threat might be created by a personal or family relationship between: (a) A partner or employee of the firm who is not an assurance team member; and (b) Any of the following individuals at the assurance client: (i) A director or officer; (ii) An employee in a position to exert significant influence over the underlying subject matter or, in an attestation engagement, an employee in a position to exert significant influence over the subject matter information of the assurance engagement. | A self-interest, familiarity or intimidation threat might be created by a personal or family relationship between: (a) A partner or employee of the firm who is not an assurance team member; and (b) Any of the following individuals at the assurance client: (i) A director or officer; (ii) An employee in a position to exert significant influence over the underlying subject matter or, in an attestation engagement, an employee in a position to exert significant influence over the subject matter information of the assurance engagement. | No Changes |
| 921.8A2 | Factors that are relevant in evaluating the level of such threats include: • The nature of the relationship between the partner or employee of the firm and the director or officer or employee of the client. • The degree of interaction of the partner or employee of the firm with the assurance team. • The position of the partner or employee within the firm. • The role of the individual within the client. | Factors that are relevant in evaluating the level of such threats include: • The nature of the relationship between the partner or employee of the firm and the director or officer or employee of the client. • The degree of interaction of the partner or employee of the firm with the assurance team. • The position of the partner or employee within the firm. • The role of the individual within the client. | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 921.8A3 | Examples of actions that might be safeguards to address such self-interest, familiarity or intimidation threats include: • Structuring the partner's or employee's responsibilities to reduce any potential influence over the assurance engagement. • Having an appropriate reviewer review the relevant assurance work performed. | Examples of actions that might be safeguards to address such self- interest, familiarity or intimidation threats include: • Structuring the partner's or employee's responsibilities to reduce any potential influence over the assurance engagement. • Having an appropriate reviewer review the relevant assurance work performed. | No Changes |
| 922.1 | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | No Changes |
| 922.2 | If an assurance team member has recently served as a director or officer or employee of the assurance client, a self-interest, self-review or familiarity threat might be created. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | If an assurance team member has recently served as a director or officer or employee of the assurance client, a self-interest, self-review or familiarity threat might be created. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | No Changes |
| R922.3 | The assurance team shall not include an individual who, during the period covered by the assurance report: (a) Had served as a director or officer of the assurance client; or (b) Was an employee in a position to exert significant influence over the underlying subject matter or, in an attestation engagement, an employee in a position to exert significant influence over the subject matter information of the assurance engagement. | The assurance team shall not include an individual who, during the period covered by the assurance report: (a) Had served as a director or officer of the assurance client; or (b) Was an employee in a position to exert significant influence over the underlying subject matter or, in an attestation engagement, an employee in a position to exert significant influence over the subject matter information of the assurance engagement. | No Changes |
| 922.4A1 | A self-interest, self-review or familiarity threat might be created if, before the period covered by the assurance report, an assurance team member: (a) Had served as a director or officer of the assurance client; or (b) Was an employee in a position to exert significant influence over the underlying subject matter or, in an attestation engagement, an employee in a position to exert significant influence over the subject matter information of the assurance engagement. For example, a threat would be created if a decision made or work performed by the individual in the prior period, while employed by the client, is to be evaluated in the current period as part of the current assurance engagement. | A self-interest, self-review or familiarity threat might be created if, before the period covered by the assurance report, an assurance team member: (a) Had served as a director or officer of the assurance client; or (b) Was an employee in a position to exert significant influence over the underlying subject matter or, in an attestation engagement, an employee in a position to exert significant influence over the subject matter information of the assurance engagement. For example, a threat would be created if a decision made or work performed by the individual in the prior period, while employed by the client, is to be evaluated in the current period as part of the current assurance engagement. | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 922.4A2 | Factors that are relevant in evaluating the level of such threats include: • The position the individual held with the client. • The length of time since the individual left the client. • The role of the assurance team member. | Factors that are relevant in evaluating the level of such threats include: • The position the individual held with the client. • The length of time since the individual left the client. • The role of the assurance team member. | No Change |
| 922.4A3 | An example of an action that might be a safeguard to address such a self-interest, self-review or familiarity threat is having an appropriate reviewer review the work performed by the assurance team member. | An example of an action that might be a safeguard to address such a self- interest, self-review or familiarity threat is having an appropriate reviewer review the work performed by the assurance team member. | No Changes |
| 923.1 | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | No Changes |
| 923.2 | Serving as a director or officer of an assurance client creates self-review and self-interest threats. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | Serving as a director or officer of an assurance client creates self- review and self-interest threats. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | No Changes |
| R923.3 | A partner or employee of the firm shall not serve as a director or officer of an assurance client of the firm. | A partner or employee of the firm shall not serve as a director or officer of an assurance client of the firm. | No Changes |
| R923.4 | A partner or employee of the firm shall not serve as Company Secretary for an assurance client of the firm unless: (a) This practice is specifically permitted under local law, professional rules or practice; (b) Management makes all decisions; and (c) The duties and activities performed are limited to those of a routine and administrative nature, such as preparing minutes and maintaining statutory returns. | A partner or employee of the firm shall not serve as Company Secretary for an assurance client of the firm unless: (a) This practice is specifically permitted under local law, professional rules or practice; (b) Management makes all decisions; and (c) The duties and activities performed are limited to those of a routine and administrative nature, such as preparing minutes and maintaining statutory returns. | No Changes |
| 923.4A1 | The position of Company Secretary has different implications in different jurisdictions. Duties might range from: administrative duties (such as personnel management and the maintenance of company records and registers) to duties as diverse as ensuring that the company complies with regulations or providing advice on corporate governance matters. Usually this position is seen to imply a close association with the entity. Therefore, a threat is created if a partner or employee of the firm serves as Company Secretary for an | The position of Company Secretary has different implications in different jurisdictions. Duties might range from: administrative duties (such as personnel management and the maintenance of company records and registers) to duties as diverse as ensuring that the company complies with regulations or providing advice on corporate governance matters. Usually this position is seen to imply a close association with the entity. Therefore, a threat is created if a partner or employee of the firm serves as Company Secretary for an assurance client. (More information on providing non-assurance services to an assurance client is set out in Section | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | assurance client. (More information on providing non-assurance services to an assurance client is set out in Section 950, Provision of Non-assurance Services to an Assurance Client.) | 950, Provision of Non-assurance Services to an Assurance Client.) | |
| 924.1 | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | No Changes |
| 924.2 | Employment relationships with an assurance client might create a self-interest, familiarity or intimidation threat. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | Employment relationships with an assurance client might create a self- interest, familiarity or intimidation threat. This section sets out specific requirements and application material relevant to applying the conceptual framework in such circumstances. | No Changes |
| 924.3A1 | A familiarity or intimidation threat might be created if any of the following individuals have been an assurance team member or partner of the firm: • A director or officer of the assurance client. • An employee in a position to exert significant influence over the underlying subject matter or, in an attestation engagement, an employee in a position to exert significant influence over the subject matter information of the assurance engagement. | A familiarity or intimidation threat might be created if any of the following individuals have been an assurance team member or partner of the firm: • A director or officer of the assurance client. • An employee in a position to exert significant influence over the underlying subject matter or, in an attestation engagement, an employee in a position to exert significant influence over the subject matter information of the assurance engagement. | No Changes |
| R924.4 | If a former partner has joined an assurance client of the firm or a former assurance team member has joined the assurance client as: (a) A director or officer; or (b) An employee in a position to exert significant influence over the underlying subject matter or, in an attestation engagement, an employee in a position to exert significant influence over the subject matter information of the assurance engagement, the individual shall not continue to participate in the firm's business or professional activities. | If a former partner has joined an assurance client of the firm or a former assurance team member has joined the assurance client as: (a) A director or officer; or (b) An employee in a position to exert significant influence over the underlying subject matter or, in an attestation engagement, an employee in a position to exert significant influence over the subject matter information of the assurance engagement, the individual shall not continue to participate in the firm's business or professional activities. | No Changes |
| 924.4A1 | Even if one of the individuals described in paragraph R924.4 has joined the assurance client in such a position and does not continue to participate in the firm's business or professional activities, a familiarity or intimidation threat might still be created. | Even if one of the individuals described in paragraph R924.4 has joined the assurance client in such a position and does not continue to participate in the firm's business or professional activities, a familiarity or intimidation threat might still be created. | No Changes |
| 924.4A2 | A familiarity or intimidation threat might also be created if a former partner of the firm has | A familiarity or intimidation threat might also be created if a former partner of the firm has joined an | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | joined an entity in one of the positions described in paragraph 924.3 A1 and the entity subsequently becomes an assurance client of the firm. | entity in one of the positions described in paragraph 924.3 A1 and the entity subsequently becomes an assurance client of the firm. | |
| 924.4A3 | Factors that are relevant in evaluating the level of such threats include: • The position the individual has taken at the client. • Any involvement the individual will have with the assurance team. • The length of time since the individual was an assurance team member or partner of the firm. • The former position of the individual within the assurance team or firm. An example is whether the individual was responsible for maintaining regular contact with the client's management or those charged with governance. | Factors that are relevant in evaluating the level of such threats include: • The position the individual has taken at the client. • Any involvement the individual will have with the assurance team. • The length of time since the individual was an assurance team member or partner of the firm. • The former position of the individual within the assurance team or firm. An example is whether the individual was responsible for maintaining regular contact with the client's management or those charged with governance. | No Changes |
| 924.4A4 | Examples of actions that might be safeguards to address such a familiarity or intimidation threat include: • Making arrangements such that the individual is not entitled to any benefits or payments from the firm, unless made in accordance with fixed pre-determined arrangements. • Making arrangements such that any amount owed to the individual is not material to the firm. • Modifying the plan for the assurance engagement. • Assigning to the assurance team individuals who have sufficient experience relative to the individual who has joined the client. • Having an appropriate reviewer review the work of the former assurance team member. | Examples of actions that might be safeguards to address such a familiarity or intimidation threat include: • Making arrangements such that the individual is not entitled to any benefits or payments from the firm, unless made in accordance with fixed pre-determined arrangements. • Making arrangements such that any amount owed to the individual is not material to the firm. • Modifying the plan for the assurance engagement. • Assigning to the assurance team individuals who have sufficient experience relative to the individual who has joined the client. • Having an appropriate reviewer review the work of the former assurance team member. | No Changes |
| R924.5 | A firm shall have policies and procedures that require assurance team members to notify the firm when entering employment negotiations with an assurance client. | A firm shall have policies and procedures that require assurance team members to notify the firm when entering employment negotiations with an assurance client. | No Changes |
| 924.5A1 | A self-interest threat is created when an assurance team member participates in the assurance engagement while knowing that the assurance team member will, or might, join the client sometime in the future. | A self-interest threat is created when an assurance team member participates in the assurance engagement while knowing that the assurance team member will, or might, join the client sometime in the future. | No Change |
| 924.5A2 | An example of an action that might eliminate such a self-interest threat is removing the individual from the assurance engagement. | An example of an action that might eliminate such a self-interest threat is removing the individual from the assurance engagement. | No Changes |
| 924.5A3 | An example of an action that might be a safeguard to address such a self-interest threat is having an appropriate reviewer | An example of an action that might be a safeguard to address such a self- interest threat is having an appropriate reviewer review any significant | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | review any significant judgments made by that assurance team member while on the team. | judgments made by that assurance team member while on the team. | |
| 940.1 | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | No Changes |
| 940.2 | When an individual is involved in an assurance engagement of a recurring nature over a long period of time, familiarity and self- interest threats might be created. This section sets out requirements and application material relevant to applying the conceptual framework in such circumstances. | When an individual is involved in an assurance engagement of a recurring nature over a long period of time, familiarity and self-interest threats might be created. This section sets out requirements and application material relevant to applying the conceptual framework in such circumstances. | No Changes |
| 940.3A1 | A familiarity threat might be created as a result of an individual's long association with: (a) The assurance client; (b) The assurance client's senior management; or (c) The underlying subject matter or, in an attestation engagement, subject matter information of the assurance engagement. | A familiarity threat might be created as a result of an individual's long association with: (a) The assurance client; (b) The assurance client's senior management; or (c) The underlying subject matter or, in an attestation engagement, subject matter information of the assurance engagement. | No Changes |
| 940.3A2 | A self-interest threat might be created as a result of an individual's concern about losing a longstanding assurance client or an interest in maintaining a close personal relationship with a member of senior management or those charged with governance. Such a threat might influence the individual's judgment inappropriately. | A self-interest threat might be created as a result of an individual's concern about losing a longstanding assurance client or an interest in maintaining a close personal relationship with a member of senior management or those charged with governance. Such a threat might influence the individual's judgment inappropriately. | No Changes |
| 940.3A3 | Factors that are relevant to evaluating the level of such familiarity or self-interest threats include: • The nature of the assurance engagement. • How long the individual has been an assurance team member, the individual's seniority on the team, and the nature of the roles performed, including if such a relationship existed while the individual was at a prior firm. • The extent to which the work of the individual is directed, reviewed and supervised by more senior personnel. • The extent to which the individual, due to the individual's seniority, has the ability to influence the outcome of the assurance engagement, for example, by making key decisions or directing the work of other engagement team members. • The closeness of the individual's personal relationship with the assurance client or, if | Factors that are relevant to evaluating the level of such familiarity or self-interest threats include: • The nature of the assurance engagement. • How long the individual has been an assurance team member, the individual's seniority on the team, and the nature of the roles performed, including if such a relationship existed while the individual was at a prior firm. • The extent to which the work of the individual is directed, reviewed and supervised by more senior personnel. • The extent to which the individual, due to the individual's seniority, has the ability to influence the outcome of the assurance engagement, for example, by making key decisions or directing the work of other engagement team members. • The closeness of the individual's personal relationship with the assurance client or, if relevant, senior management. • The nature, frequency and extent of interaction between the individual and the assurance client. • Whether the nature or complexity of the | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | relevant, senior management. • The nature, frequency and extent of interaction between the individual and the assurance client. • Whether the nature or complexity of the underlying subject matter or subject matter information has changed. • Whether there have been any recent changes in the individual or individuals at the assurance client who are responsible for the underlying subject matter or, in an attestation engagement, the subject matter information or, if relevant, senior management. | underlying subject matter or subject matter information has changed. • Whether there have been any recent changes in the individual or individuals at the assurance client who are responsible for the underlying subject matter or, in an attestation engagement, the subject matter information or, if relevant, senior management. | |
| 940.3A4 | The combination of two or more factors might increase or reduce the level of the threats. For example, familiarity threats created over time by the increasingly close relationship between an assurance team member and an individual at the assurance client who is in a position to exert significant influence over the underlying subject matter or, in an attestation engagement, the subject matter information, would be reduced by the departure of that individual from the client. | The combination of two or more factors might increase or reduce the level of the threats. For example, familiarity threats created over time by the increasingly close relationship between an assurance team member and an individual at the assurance client who is in a position to exert significant influence over the underlying subject matter or, in an attestation engagement, the subject matter information, would be reduced by the departure of that individual from the client. | No Changes |
| 940.3A5 | An example of an action that might eliminate the familiarity and self-interest threats in relation to a specific engagement would be rotating the individual off the assurance team. | An example of an action that might eliminate the familiarity and self- interest threats in relation to a specific engagement would be rotating the individual off the assurance team. | No Changes |
| 940.3A6 | Examples of actions that might be safeguards to address such familiarity or self-interest threats include: • Changing the role of the individual on the assurance team or the nature and extent of the tasks the individual performs. • Having an appropriate reviewer who was not an assurance team member review the work of the individual. • Performing regular independent internal or external quality reviews of the engagement. | Examples of actions that might be safeguards to address such familiarity or self-interest threats include: • Changing the role of the individual on the assurance team or the nature and extent of the tasks the individual performs. • Having an appropriate reviewer who was not an assurance team member review the work of the individual. • Performing regular independent internal or external quality reviews of the engagement. | No Changes |
| R940.4 | If a firm decides that the level of the threats created can only be addressed by rotating the individual off the assurance team, the firm shall determine an appropriate period during which the individual shall not: (a) Be a member of the engagement team for the assurance engagement; (b) Perform an engagement quality review, or a review consistent with the objective of an engagement quality review, for the engagement; or (c) Exert direct influence on the outcome of the assurance engagement. The period shall be of sufficient duration to | If a firm decides that the level of the threats created can only be addressed by rotating the individual off the assurance team, the firm shall determine an appropriate period during which the individual shall not: (a) Be a member of the engagement team for the assurance engagement; (b) Perform an engagement quality review, or a review consistent with the objective of an engagement quality review, for the engagement; or (c) Exert direct influence on the outcome of the assurance engagement. The period shall be of sufficient duration to allow the familiarity and self-interest threats to be addressed. | No Changes |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | allow the familiarity and self-interest threats to be addressed. | | |
| 950.1 | Firms are required to comply with the fundamental principles, be independent, and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | Firms are required to comply with the fundamental principles, be independent, and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | No Changes |
| 950.2 | Firms might provide a range of non-assurance services to their assurance clients, consistent with their skills and expertise. Providing certain non-assurance services to assurance clients might create threats to compliance with the fundamental principles and threats to independence. | Firms might provide a range of non-assurance services to their assurance clients, consistent with their skills and expertise. Providing certain non-assurance services to assurance clients might create threats to compliance with the fundamental principles and threats to independence. | No Change |
| 950.3 | This section sets out requirements and application material relevant to applying the conceptual framework to identify, evaluate and address threats to independence when providing non- assurance services to assurance clients. | This section sets out requirements and application material relevant to applying the conceptual framework to identify, evaluate and address threats to independence when providing non- assurance services to assurance clients. | No Change |
| 950.4 | New business practices, the evolution of financial markets and changes in technology are some developments that make it impossible to draw up an all-inclusive list of non-assurance services that firms might provide to an assurance client. The conceptual framework and the general provisions in this section apply when a firm proposes to a client to provide a non-assurance service for which there are no specific requirements and application material. | New business practices, the evolution of financial markets and changes in technology are some developments that make it impossible to draw up an all-inclusive list of non-assurance services that firms might provide to an assurance client. The conceptual framework and the general provisions in this section apply when a firm proposes to a client to provide a non- assurance service for which there are no specific requirements and application material. | No Change |
| 950.5 | The requirements and application material in this section apply where a firm: (a) Uses technology to provide a non-assurance service to an assurance client; or (b) Provides, sells, resells or licenses technology resulting in the provision of a non-assurance service by the firm: (i) To an assurance client; or (ii) To an entity that provides services using such technology to assurance clients of the firm. | The requirements and application material in this section apply where a firm: (a) Uses technology to provide a non-assurance service to an assurance client; or (b) Provides, sells, resells or licenses technology resulting in the provision of a non-assurance service by the firm: (i) To an assurance client; or (ii) To an entity that provides services using such technology to assurance clients of the firm. | "Changes to the Code" section |
| 950.5A1 | **Not Present** | When a firm provides a non-assurance service to an assurance client, there is a risk that a firm will assume a management responsibility in relation to the underlying subject matter and, in an attestation engagement, the subject matter information of the assurance engagement unless the firm is satisfied | Reference issue, it is covered under IESBA in 950.6A1 |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | | that the requirements in paragraphs s R900.13 and R900.14 have been complied. | |
| R950.6 | **Not Present** | Before a firm accepts an engagement to provide a non-assurance service to an assurance client, the firm shall apply the conceptual framework to identify, evaluate and address any threat to independence that might be created by providing that service. | Reference issue, it is covered under IESBA in 950.7 |
| 950.6A1 | When a firm provides a non-assurance service to an assurance client, there is a risk that a firm will assume a management responsibility in relation to the underlying subject matter and, in an attestation engagement, the subject matter information of the assurance engagement unless the firm is satisfied that the requirements in paragraphs R900.13 and R900.14 have been complied with. | **Not Present** | Reference issue, it is covered under ICAP in 950.5A1 |
| R950.7 | Before a firm accepts an engagement to provide a non- assurance service to an assurance client, the firm shall apply the conceptual framework to identify, evaluate and address any threat to independence that might be created by providing that service. | **Not Present** | Reference issue, it is covered under ICAP in 950.6 |
| 950.7A1 | **Not Present** | A description of the categories of threats that might arise when a firm provides a non-assurance service to an assurance client is set out in paragraph 120.6 A3. | Reference issue, it is covered under IESB A950.9A1 |
| 950.7A2 | **Not Present** | Factors that are relevant in identifying and evaluating the different threats that might be created by providing a non-assurance service to an assurance client include: • The nature, scope, intended use and purpose of the service. • The manner in which the service will be provided, such as the personnel to be involved and their location. • The legal and regulatory environment in which the service is provided. • Whether the client is a public interest entity. • The level of expertise of the client's management and employees with respect to the type of service provided. • Whether the outcome of the service will affect the underlying subject matter and, in an attestation engagement, matters reflected in the subject matter information of the assurance engagement, and, if so: o The extent to which the outcome of the service will have a material effect on the underlying subject matter and, in an attestation engagement, the subject matter information of the assurance engagement. o The extent to which the assurance client determines significant matters of judgment. | Reference issue, it is covered under IESB A950.8A2 |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 950.8A1 | A description of the categories of threats that might arise when a firm provides a non-assurance service to an assurance client is set out in paragraph 120.6 A3. | Materiality is a factor that is relevant in evaluating threats created by providing a non-assurance service to an assurance client. The concept of materiality in relation to an assurance client's subject matter information is addressed in International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information. | Reference issue, it is covered under IESB A950.9A1<br><br>Reference issue, it is covered under ICAP A950.7A1 |
| 950.8A2 | Factors that are relevant in identifying and evaluating the different threats that might be created by providing a non-assurance service to an assurance client include: • The nature, scope, intended use and purpose of the service. • The manner in which the service will be provided, such as the personnel to be involved and their location. • The client's dependency on the service, including the frequency with which the service will be provided. • The legal and regulatory environment in which the service is provided. • Whether the client is a public interest entity. • The level of expertise of the client's management and employees with respect to the type of service provided. • Whether the outcome of the service will affect the underlying subject matter and, in an attestation engagement, matters reflected in the subject matter information of the assurance engagement, and, if so: o The extent to which the outcome of the service will have a material effect on the underlying subject matter and, in an attestation engagement, the subject matter information of the assurance engagement. o The extent to which the assurance client determines significant matters of judgment (Ref: Para. R900.13 to R900.14). • The degree of reliance that will be placed on the outcome of the service as part of the assurance engagement. • The fee relating to the provision of the non-assurance service. | **Not Present** | Reference issue, it is covered under ICAP A950.7A2 |
| 950.9A1 | Materiality is a factor that is relevant in evaluating threats created by providing a non-assurance service to an assurance client. The concept of materiality in relation to an assurance client's subject matter information is addressed in International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information. The determination of materiality involves the exercise of professional judgment and is | A firm might provide multiple non-assurance services to an assurance client. In these circumstances the combined effect of threats created by providing those services is relevant to the firm's evaluation of threats. | Reference issue, it is covered under ICAP A950.8A1<br><br>Reference issue, it is covered under IESBA A950.10A1 |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | impacted by both quantitative and qualitative factors. It is also affected by perceptions of the financial or other information needs of users. | | |
| 950.10A1 | A firm might provide multiple non-assurance services to an assurance client. In these circumstances the combined effect of threats created by providing those services is relevant to the firm's evaluation of threats. | A self-review threat might be created if, in an attestation engagement, the firm is involved in the preparation of subject matter information which subsequently becomes the subject matter information of an assurance engagement. Examples of non-assurance services that might create such self-review threats when providing services related to the subject matter information of an assurance engagement include: (a) Developing and preparing prospective information and subsequently issuing an assurance report on this information. (b) Performing a valuation that is related to or forms part of the subject matter information of an assurance engagement. Assurance clients that are public interest entities. | Reference issue, it is covered under IESBA A950.11A1 |
| 950.11A1 | A self-review threat might be created if, in an attestation engagement, the firm is involved in the preparation of subject matter information which subsequently becomes the subject matter information of an assurance engagement. Examples of non-assurance services that might create such self-review threats when providing services related to the subject matter information of an assurance engagement include: • Developing and preparing prospective information and subsequently issuing an assurance report on this information. • Performing a valuation that is related to or forms part of the subject matter information of an assurance engagement. • Designing, developing, implementing, operating, maintaining, monitoring, updating or upgrading IT systems or IT controls and subsequently undertaking an assurance engagement on a statement or report prepared about the IT systems or IT controls. • Designing, developing, implementing, operating, maintaining, monitoring, updating or upgrading IT systems and subsequently issuing an assurance report on subject matter information, such as elements of non-financial information, that is prepared from information generated by such IT systems. | Expectations about a firm's independence are heightened when an assurance engagement is undertaken by a firm for a public interest entity and the results of that engagement will be: (a) Made available publicly, including to shareholders and other stakeholders; or (b) Provided to an entity or organization established by law or regulation to oversee the operation of a business sector or activity. Consideration of these expectations forms part of the reasonable and informed third party test applied when determining whether to provide a non-assurance service to an assurance client. | Reference issue, it is covered under ICAP A950.10A1<br><br>Reference issue, it is covered under IESBA A950.12A1 |
| 950.11A2 | **Not Present** | If a self-review threat exists in relation to an engagement undertaken in the circumstances described in paragraph 950.11 A1 (b), the firm is encouraged to disclose the existence of that self- | Reference issue, it is covered under IESBA A950.12A1 |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | | review threat and the steps taken to address it to the party engaging the firm or those charged with governance of the assurance client and to the entity or organization established by law or regulation to oversee the operation of a business sector or activity to which the results of the engagement will be provided. | |
| 950.12A1 | Expectations about a firm's independence are heightened when an assurance engagement is undertaken by a firm for a public interest entity and the results of that engagement will be: (a) Made available publicly, including to shareholders and other stakeholders; or (b) Provided to an entity or organization established by law or regulation to oversee the operation of a business sector or activity. Consideration of these expectations forms part of the reasonable and informed third party test applied when determining whether to provide a non-assurance service to an assurance client. | Paragraphs R120.10 to 120.10 A2 include a requirement and application material that are relevant when addressing threats to independence, including a description of safeguards. | Reference issue, it is covered under IESBA A950.13A1 |
| 950.12A2 | If a self-review threat exists in relation to an engagement undertaken in the circumstances described in paragraph 950.12 A1 (b), the firm is encouraged to disclose the existence of that self-review threat and the steps taken to address it to the party engaging the firm or those charged with governance of the assurance client and to the entity or organization established by law or regulation to oversee the operation of a business sector or activity to which the results of the engagement will be provided. | Threats to independence created by providing a non-assurance service or multiple services to an assurance client vary depending on facts and circumstances of the assurance engagement and the nature of the service. Such threats might be addressed by applying safeguards or by adjusting the scope of the proposed service. | Reference issue, it is covered under IESBA A950.13A2 |
| 950.12A3 | **Not Present** | Examples of actions that might be safeguards to address such threats include: • Using professionals who are not assurance team members to perform the service. • Having an appropriate reviewer who was not involved in providing the service review the assurance work or service performed. | Reference issue, it is covered under IESBA A950.13A3 |
| 950.12A4 | **Not Present** | Safeguards might not be available to reduce the threat created by providing a non-assurance service to an assurance client to an acceptable level. In such a situation, the application of the conceptual framework requires the firm to: (a) Adjust the scope of the proposed service to eliminate the circumstances that are creating the threat; (b) Decline or end the service that creates the threat that cannot be eliminated or reduced to an acceptable level; or (c) End the assurance engagement. | Reference issue, it is covered under IESBA A950.13A4 |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| 950.13A1 | Paragraphs R120.10 to 120.10 A2 include a requirement and application material that are relevant when addressing threats to independence, including a description of safeguards. | **Not Present** | Reference issue, it is covered under ICAP A950.12A1 |
| 950.13A2 | Threats to independence created by providing a non-assurance service or multiple services to an assurance client vary depending on facts and circumstances of the assurance engagement and the nature of the service. Such threats might be addressed by applying safeguards or by adjusting the scope of the proposed service. | **Not Present** | Reference issue, it is covered under ICAP A950.12A2 |
| 950.13A3 | Examples of actions that might be safeguards to address such threats include: • Using professionals who are not assurance team members to perform the service. • Having an appropriate reviewer who was not involved in providing the service review the assurance work or service performed. | **Not Present** | Reference issue, it is covered under ICAP A950.12A3 |
| 950.13A4 | Safeguards might not be available to reduce the threat created by providing a non-assurance service to an assurance client to an acceptable level. In such a situation, the application of the conceptual framework requires the firm to: (a) Adjust the scope of the proposed service to eliminate the circumstances that are creating the threat; (b) Decline or end the service that creates the threat that cannot be eliminated or reduced to an acceptable level; or (c) End the assurance engagement. | **Not Present** | Reference issue, it is covered under ICAP A950.12A4 |
| 990.1 | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | Firms are required to comply with the fundamental principles, be independent and apply the conceptual framework set out in Section 120 to identify, evaluate and address threats to independence. | No Change |
| 990.2 | This section sets out certain modifications to Part 4B which are permitted in certain circumstances involving assurance engagements where the report includes a restriction on use and distribution. In this section, an engagement to issue a restricted use and distribution assurance report in the circumstances set out in paragraph R990.3 is referred to as an “eligible assurance engagement.” | This section sets out certain modifications to Part 4B which are permitted in certain circumstances involving assurance engagements where the report includes a restriction on use and distribution. In this section, an engagement to issue a restricted use and distribution assurance report in the circumstances set out in paragraph R990.3 is referred to as an “eligible assurance engagement.” | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| R990.3 | When a firm intends to issue a report on an assurance engagement which includes a restriction on use and distribution, the independence requirements set out in Part 4B shall be eligible for the modifications that are permitted by this section, but only if: (a) The firm communicates with the intended users of the report regarding the modified independence requirements that are to be applied in providing the service; and (b) The intended users of the report understand the purpose, subject matter information and limitations of the report and explicitly agree to the application of the modifications. | When a firm intends to issue a report on an assurance engagement which includes a restriction on use and distribution, the independence requirements set out in Part 4B shall be eligible for the modifications that are permitted by this section, but only if: (a) The firm communicates with the intended users of the report regarding the modified independence requirements that are to be applied in providing the service; and (b) The intended users of the report understand the purpose, subject matter information and limitations of the report and explicitly agree to the application of the modifications. | No Changes |
| 990.3A1 | The intended users of the report might obtain an understanding of the purpose, subject matter information, and limitations of the report by participating, either directly, or indirectly through a representative who has authority to act for the intended users, in establishing the nature and scope of the engagement. In either case, this participation helps the firm to communicate with intended users about independence matters, including the circumstances that are relevant to applying the conceptual framework. It also allows the firm to obtain the agreement of the intended users to the modified independence requirements. | The intended users of the report might obtain an understanding of the purpose, subject matter information, and limitations of the report by participating, either directly, or indirectly through a representative who has authority to act for the intended users, in establishing the nature and scope of the engagement. In either case, this participation helps the firm to communicate with intended users about independence matters, including the circumstances that are relevant to applying the conceptual framework. It also allows the firm to obtain the agreement of the intended users to the modified independence requirements. | No Change |
| R990.4 | Where the intended users are a class of users who are not specifically identifiable by name at the time the engagement terms are established, the firm shall subsequently make such users aware of the modified independence requirements agreed to by their representative. | Where the intended users are a class of users who are not specifically identifiable by name at the time the engagement terms are established, the firm shall subsequently make such users aware of the modified independence requirements agreed to by their representative. | No Changes |
| 990.4A1 | For example, where the intended users are a class of users such as lenders in a syndicated loan arrangement, the firm might describe the modified independence requirements in an engagement letter to the representative of the lenders. The representative might then make the firm's engagement letter available to the members of the group of lenders to meet the requirement for the firm to make such users aware of the modified independence requirements agreed to by the representative. | For example, where the intended users are a class of users such as lenders in a syndicated loan arrangement, the firm might describe the modified independence requirements in an engagement letter to the representative of the lenders. The representative might then make the firm's engagement letter available to the members of the group of lenders to meet the requirement for the firm to make such users aware of the modified independence requirements agreed to by the representative. | No Change |
| R990.5 | When the firm performs an eligible assurance engagement, any modifications | When the firm performs an eligible assurance engagement, any modifications to Part 4B shall be | No Change |

| Section No. | IESBA 2025 | ICAP Code of Ethics 2024 | Change |
|---|---|---|---|
| | to Part 4B shall be limited to those modifications set out in paragraphs s R990.7 and R990.8. | limited to those modifications set out in paragraphs R990.7 and R990.8. | |
| R990.6 | If the firm also issues an assurance report that does not include a restriction on use and distribution for the same client, the firm shall apply Part 4B to that assurance engagement. | If the firm also issues an assurance report that does not include a restriction on use and distribution for the same client, the firm shall apply Part 4B to that assurance engagement. | No Change |
| R990.7 | When the firm performs an eligible assurance engagement: (a) The relevant provisions set out in Sections 910, 911, 920, 921, 922 and 924 need apply only to the members of the engagement team, and their immediate and close family members; (b) The firm shall identify, evaluate and address any threats to independence created by interests and relationships, as set out in Sections 910, 911, 920, 921, 922 and 924, between the assurance client and the following assurance team members; (i) Those who provide consultation regarding technical or industry-specific issues, transactions or events; and (ii) Those who perform an engagement quality review, or a review consistent with the objective of an engagement quality review, for the engagement; and (c) The firm shall evaluate and address any threats that the engagement team has reason to believe are created by interests and relationships between the assurance client and others within the firm who can directly influence the outcome of the assurance engagement, as set out in Sections 910, 911, 920, 921, 922 and 924. | When the firm performs an eligible assurance engagement: (a) The relevant provisions set out in Sections 910, 911, 920, 921, 922 and 924 need apply only to the members of the engagement team, and their immediate and close family members; (b) The firm shall identify, evaluate and address any threats to independence created by interests and relationships, as set out in Sections 910, 911, 920, 921, 922 and 924, between the assurance client and the following assurance team members; (i) Those who provide consultation regarding technical or industry-specific issues, transactions or events; and (ii) Those who perform an engagement quality review, or a review consistent with the objective of an engagement quality review, for the engagement; and (c) The firm shall evaluate and address any threats that the engagement team has reason to believe are created by interests and relationships between the assurance client and others within the firm who can directly influence the outcome of the assurance engagement, as set out in Sections 910, 911, 920, 921, 922 and 924. | No Changes |
| 990.7A1 | Others within the firm who can directly influence the outcome of the assurance engagement include those who recommend the compensation, or who provide direct supervisory, management or other oversight, of the assurance engagement partner in connection with the performance of the assurance engagement. | Others within the firm who can directly influence the outcome of the assurance engagement include those who recommend the compensation, or who provide direct supervisory, management or other oversight, of the assurance engagement partner in connection with the performance of the assurance engagement. | No Change |
| R990.8 | When the firm performs an eligible assurance engagement, the firm shall not hold a material direct or a material indirect financial interest in the assurance client. | When the firm performs an eligible assurance engagement, the firm shall not hold a material direct or a material indirect financial interest in the assurance client. | No Change |