

Seminar on Draft ICAP 'Code of Ethics for Chartered Accountants (Revised 2024)'

Jointly organized by Auditing Standards & Ethics Committee and Southern Regional Committee

Introduction

The Institute's extant Code of Ethics for Chartered Accountants (Revised 2019) (ICAP Code of Ethics 2019) is based on IESBA's 2018 Edition of the '*International Code of Ethics for Professional Accountants (including International Independence Standards)*' (IESBA Code 2018)' effective from July 1, 2020.

The Institute has always been advocate of promoting professional excellence that can only be achieved by upholding the ethical principles of integrity, transparency and accountability. The adoption and enforcement of the 'Code of Ethics for Chartered Accountants' is part of the Institute's vision to implement fundamental principles of professional ethics in the profession.

The ICAP Code of Ethics 2019 sets out fundamental principles of ethics (i.e. integrity, objectivity, professional competence and due care, confidentiality, and professional behavior) for all chartered accountants. These principles establish the standard of behavior expected of a chartered accountant. The Code provides a conceptual framework that helps the chartered accountants to identify, evaluate and address threats to compliance with the fundamental principles.



Friday, May 3, 2024



4:00 pm - 8:00 pm



ICAP House, Karachi

About proposed ICAP Code of Ethics for Chartered Accountants (Revised 2024)

The latest IESBA Code of Ethics 2023 edition has been issued in September 2023. Since 2018 to 2023, various revisions and new requirements have been introduced by IESBA.

In order to adopt the revisions, the Institute's Auditing Standards & Ethics Committee (ASEC) undertook a comprehensive review of the IESBA Code 2023 and recommended the adoption of IESBA Code of Ethics 2023, except for few changes which have been made to align with the requirements of ICAP Chartered Accountants Ordinance, 1961 and local laws. These changes are more stringent and pertain to shorter time-on period for engagement partner of listed companies, prohibition on undercutting of audit fees, contingent fee and marketing & advertisement services, etc.

ICAP Due Process for adoption

1. As part of the due process for adoption, the Committee issued an exposure draft of the ICAP Code of Ethics (Revised 2024) through Circular No. 12 (dated December 30, 2023) for members' comments.
2. A seminar is being planned by ASEC and SRC on the draft revised ICAP Code of Ethics 2024 to provide members an opportunity to understand new revisions and requirements and also to interact, learn and draw benefits from the experienced speakers and panelists.

Summary of key changes made in the draft ICAP Code from 2019 to 2023

- The revisions to Parts 1 and 2 of the Code (Section 100, 110, 120, 220 and glossary) which promote the role and mindset expected of chartered accountants.
- Addition of new section 325 on '*Objectivity of an Engagement Quality Control Reviewer and Other Appropriate Reviewers*' - addresses the objectivity and eligibility of an EQR and other appropriate reviewers to support requirements of ISQM 2, *Engagement Quality Reviews*.
- The revisions relating to the definition of Engagement Team (Section 400).
- The revisions to Fee-Related Provisions (Section 400) and Non-Assurance Services (NAS) (Section 600) to strengthening requirements including:
 - the circumstances have been specified when firms and network firms may/ may not provide NAS to an audit client that is a public interest entity (PIE) that might create a self-review threat.
 - A requirement that audit fee of the firm or a network firm should not be influenced by the provision of services rendered to an audit client.
 - New provisions to stimulate greater public transparency about fees paid by PIE audit clients.
 - Strengthened provisions to address fee dependency at the firm level.
 - New provisions to promote more robust engagement between auditors and those charged with governance of PIEs audit clients before providing NAS.
- Addition of new section 405 on '*Group Audits*' which is in line with ISA 600 (Revised) requirements.
- The ISQM standards related conforming amendments have been made to the overall Code of Ethics.
- The revisions to Part 4B of the Code to reflect the terms and concepts used in ISAE 3000 (Revised).

In addition to above, the IESBA Code 2023 contains few changes that have been approved by the Committee but shall be effective from the periods beginning on or after December 15, 2024.

- **Revised broad definition of a PIE** - include new category "publicly traded entity" which will replace the category of "listed entity".
- **Changes to the definitions of "audit client" and "group audit client"** in the 'Glossary of terms' arising from the approved revisions to PIE definition.
- **Technology-related revisions** to the Code.

Opening Remarks



Mr. Arslan Khalid
Council Member, ICAP &
Chairman Auditing Standards
& Ethics Committee

Session Chairman



Mr. Farrukh Rehman
President ICAP

Closing Remarks



Syed Junaid Ali
Chairman SRC

Guest Speaker



Mr. Tasawar Hussain
Partner, Kreston Hyder Bhimji & Co.

Mr. Tasawar Hussain is an Associate Member of The Institute of Chartered Accountants of Pakistan (ICAP), he is a member of the ASEC for the term 2024-2025. He is currently serving as Partner in Kreston Hyder Bhimji & Co. Chartered Accountants while in past he played various leadership roles in leading manufacturing Companies of Pakistan with over 12 years' diversified experience.

Guest Speaker



Ms. Hena Sadiq
Partner, Yousuf Adil
Chartered Accountants

Ms. Hena Sadiq is a Fellow Member of Institute of Chartered Accountants of Pakistan (ICAP) and currently a partner in Yousuf Adil, Chartered Accountants with over 25 years of experience in professional practice. Prior to her role as partner, she was Director of Engagement Quality Control Review department of the firm where she was instrumental in setting up the department. She is currently a member of the Auditing Standards & Ethics Committee of ICAP.

Moderator



Ms. Farheen Mirza is a Fellow Member of the Institute of Chartered Accountants of Pakistan (ICAP) and currently a Deputy Director in Technical Services Department with over 20 years of professional experience in the field of auditing and accounting. She is the Secretary of the Auditing Standards and Ethics Committee of ICAP.

Panelists



Mr. Khurram Jameel is a Fellow Member of ICAP and currently a partner in Grant Thornton Anjum Rahman, Chartered Accountants with over 22 years of experience in professional practice. He has also been an active member of the Institute and has a vast experience of conducting training sessions for ICAP. Presently, he is a member of Auditing Standards and Ethics Committee and has also served in the Accounting Standards Committee in the past.



Mr. Shaikh Salman is a Fellow Member of ICAP, ACCA and ICAEW and currently a partner in EY Ford Rhodes, Chartered Accountants with over 20 years of experience in professional practice. He is also the firm's Quality Enablement Leader and Professional Practice Director. Salman is currently a member of the Auditing Standards & Ethics Committee of ICAP and also a member of Southern Regional Committee.



Mr. Waqas Aftab Sheikh is a Fellow Member of ICAP and currently a partner in A.F. Ferguson & Co., Chartered Accountants with over 25 years of experience in professional practice. He is also the firm's Business Conduct Leader and heads the Independence/ Ethics function. He is currently a member of the Auditing Standards & Ethics Committee of ICAP and has also served on the Accounting Standards Committee of ICAP in the past.

Program Outline

Time	Program
4:00 PM - 4:20 PM	Registration & Networking
4:21 PM - 4:30 PM	Opening Remarks by Mr. Arslan Khalid, Council Member, ICAP and Chairman Auditing Standards & Ethics Committee
4:31 PM - 5:15 PM	Presentation on Part 1, 2 and 3 of proposed ICAP Code of Ethics 2024 by Mr. Taswar Hussain, Partner, Kreston Hyder Bhimji & Co.
5:16 PM - 5:30 PM	Asar Prayer Break
5:31 PM - 6:15 PM	Presentation on Part 4 of proposed ICAP Code of Ethics 2024 by Ms. Hena Sadiq, Partner, Yousuf Adil Chartered Accountants
6:15 PM - 7:00 PM	Panel Discussion on challenging areas of draft ICAP Code of Ethics (Revised 2024) <u>Panelist include:</u> <ol style="list-style-type: none">Ms. Farheen Mirza (Moderator), Deputy Director Technical, ICAPMr. Khurram Jameel, Partner, Grant ThorntonMr. Shaikh Salman, Partner, EY Ford RhodesMr. Waqas Aftab Sheikh, Partner, A. F. Ferguson & Co. <p>Panel will respond to audience questions as well.</p>
7:01 PM - 7:10 PM	Session Chairman , Mr. Farrukh Rehman, President ICAP
7:11 PM - 7:15 PM	Closing Remarks by Syed Junaid Ali, Chairman SRC
	Seminar will be followed by dinner.

Link to ICAP's Facebook Page:
<https://www.facebook.com/ICAP.CA>

For Further Information:

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