



**The Japanese Institute of  
Certified Public Accountants**

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March 15, 2016

Mr. David McPeak  
IAESB Technical Manager  
International Accounting Education Standards Board  
International Federation of Accountants  
529 Fifth Avenue 6th Floor New York, NY 10017

Dear Mr. McPeak:

***Comments on the IAESB Exposure Draft, Proposed Editorial Improvements  
to International Education Standards, Framework for International Education  
Standards for Professional Accountants and Aspiring Accountants (2015), & IAESB  
Glossary of Terms***

The Japanese Institute of Certified Public Accountants (hereinafter, “We” or “JICPA”) is grateful for the opportunity to comment on the IAESB Exposure Draft (ED), *Proposed Editorial Improvements to International Education Standards, Framework for International Education Standards for Professional Accountants and Aspiring Accountants, & IAESB Glossary of Terms*.

JICPA fully supports the proposed amendments to improve consistency among the International Education Standards (IESs), the Framework for International Education Standards for Professional Accountants and Aspiring Professional Accountants, and the IAESB Glossary of Terms.

Understanding that the IAESB will be required to continue undertaking similar improvements in future, we request the IAESB to take note of the following items.

## 1. Review of the structure

With the scope of each IES being kept relatively narrow and specific, we sometimes see too many similar, if not the same, wordings used across different IESs. Because of the parallel use of similar wordings that appear in different IESs, achieving and maintaining consistency throughout all IESs seems very time-consuming endeavor, and this also resonates when we translate the IESs.

For your reference, a table below shows the examples of paragraphs in the IESs that have similar wordings. From this table, it is evident that such paragraphs are evident particularly in IESs 2, 3 and 4.

IES 1	IES 2	IES 3	IES 4	IES 5	IES 6	IES 8
	3	3	5			
	7	7	11			
	A5	A7	A10			
	A7	A9	A12	A6	A4	A17
	A11	A13	A20			
	A12	A14	A21			
A1	A13	A16	A32	A2	A9	
		A15	A22			
	A14	A17	A33			
	A15	A18	A39			

We suggest that it may be of interest to see how an alternative structure could look like in the IESs by using the IESBA Code of Ethics as an example, which comprises of 161 pages divided into Part A to Part C. Referring to the Code of Ethics, we believe either of the following plans may be worth considering.

Plan A: Combine IES 2 to IES 6 together as one standard relating to the initial professional development (IPD)

Plan B: Integrate sections on education and training in IES 2 to IES 4 as one prevailing section

IPD	Learning and development	Professional accountancy education	Education/training	Technical competence (IES 2)
				Skills (IES 3)
				Values, ethics, and attitudes (IES 4)
	Practical experience (IES 5)			
Assessment (IES 6)				

We believe it is important to keep the sections that are unique to each standard as

separate as it is now, however, it would be useful to combine paragraphs that are expressed with similar wordings and avoid duplicating the same appendix across three IESs.

## 2. Name of the standards

The name “International Education Standards” does not immediately convey a specific area of education that is being referred to in the standards. Therefore, we suggest the IAESB to change it to the one that is consistent with the name IAESB (International Accounting Education Standards Board) or the Framework (Framework for International Education Standards for Professional Accountants and Aspiring Professional Accountants). The IESs do not refer to the education in general, and they only deal with the professional development of a specific profession in accounting. As such, the name “International Education Standards” could be misleading.

Although we understand that the IES is a registered trademark and required to be used continuously to retain trademark rights, and that considerable work would be necessary to give another name to such well-established titles, nonetheless, we believe that the renaming should be considered at the IAESB to better represent the actual contents of the standards.

## 3. IESs in an alternative format

The IESs are posted on the IAESB website as a handbook in PDF format. However, when one tries to open the handbook directly, it takes an exceptionally long time to load. In addition, there are no links from the main table of contents to the individual IESs, and there are some subsections within the individual IESs that are not even linked to specific paragraphs. Given that the IESBA Code of Ethics is available also in an electronic format, we suggest the IAESB to consider an electronic format together with the PDF to allow fast and easy access.

Hyperlink	2015 Handbook	Revised draft
From main table of contents to specific IESs	No	No
From IES contents pages to specific paragraphs	IES 3–5	IES 2–5, IES 8
From main body of text to footnotes.	Yes	Yes

4. Additional amendments

For further consideration by the IAESB, JICPA identified a number of inconsistencies and other matters requiring editorial reviews in the appendix.

We trust you will find our comments of assistance to you.

Sincerely yours,

Kazutomi Asai

Executive Board Member - CPE

The Japanese Institute of Certified Public Accountants

## Appendix

Standard	Paragraph	Current wording	Proposed change
IES 3	A5	A5. The inclusion of professional skills in IPD lays the base for performing a role as a professional accountant. Further development of professional skills is a focus of Continuing Professional Development (CPD), which is covered in IES 7 – Continuing Professional Development (2014).	A5. The inclusion of professional skills in IPD lays the base for performing a role as a professional accountant. Further development of professional skills is a focus of Continuing Professional Development (CPD), which is covered in IES 7 – Continuing Professional Development (2014).
IES 3	A13	A13. In Table A, each competence area has been assigned a level of proficiency that aspiring professional accountants are expected to achieve by the end of IPD. This level of proficiency indicates the context in which the relevant learning outcomes are expected to be demonstrated. Together, the learning outcomes and the level of proficiency of the competence area, provide information to help IFAC member bodies design their professional accounting education programs.	A13. In Table A, each competence area has been assigned a level of proficiency that aspiring professional accountants are expected to achieve by the end of IPD. This level of proficiency indicates the context in which the relevant learning outcomes are expected to be demonstrated. Together, the learning outcomes and the level of proficiency of the competence area, provide information to help IFAC member bodies design their professional accounting education programs.
IES 3	A20. (b)	Training of workplace assessors in order to achieve consistency between assessors and equity between candidates; and	Training of workplace assessors in order to achieve consistency between assessors and equity between <del>candidates</del> aspiring professional accountants; and
IES 4	Appendix 1	Advanced Typically, learning outcomes in a competence area focus on the ability to:	Advanced Typically, learning outcomes in a competence area focus on <del>the ability to</del> :
IES 4	A6 – Footnote 4	<sup>4</sup> Glossary of Terms, IAASB Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements – 2014 Edition, Volume I.	<sup>4</sup> <del>Glossary of Terms, IAASB Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements – 2014 Edition, Volume I.</del> IESBA Handbook of the Code of Ethics for Professional Accountants,—2015 Edition.
IES 4	A15	A15. By establishing learning and development activities that cover professional values, ethics, and attitudes, IFAC member bodies promote a commitment	A15. By establishing learning and development activities that cover professional values, ethics, and attitudes, IFAC member bodies promote a commitment

		for the aspiring professional accountant to act in the public interest. Acting in the public interest includes (a) developing an awareness and concern for impact on the public; (b) developing a sensitivity to social responsibilities; (c) lifelong learning; (d) a predisposition to quality, reliability, responsibility, timeliness, and courtesy; and (e) a respect for laws and regulations. This supports the view that professional accountants contribute to confidence and trust in the functioning of markets and the economy in general.	for the aspiring professional accountant to act in the public interest. Acting in the public interest includes (a) developing an awareness and concern for impact on the public; (b) developing a sensitivity to social responsibilities; (c) lifelong learning; (d) a predisposition to quality, reliability, responsibility, timeliness, and courtesy; and (e) a respect for laws and regulations. This supports the view that professional accountants contribute to confidence and trust in the functioning of markets and the economy in general.
IES 4	A39	A39. IES 6, Initial Professional Development – Assessment of Professional Competence provides the principles that apply to the design of assessment activities used to measure the achievement of professional values, ethics, and attitudes and other elements of professional competence.	A39. IES 6, Initial Professional Development – Assessment of Professional Competence (2015) provides the principles that apply to the design of assessment activities used to <del>measure—the achievement of</del> assess the professional values, ethics, and attitudes and other elements of professional competence.
IES 5	Heading between 14 and 15	Input-Based Approach (Ref: Para. A11–13)	Input-Based Approach (Ref: Para. A11–A13)
IES 5	A4.(d)	(d) developing the appropriate professional values, ethics and attitudes in practical, real-life situations (see also IES 4: Initial Professional Development - Professional Values, Ethics, and Attitudes); and	(d) developing the appropriate professional values, ethics and attitudes in practical, real-life situations (see also IES 4: Initial Professional Development - Professional Values, Ethics, and Attitudes (2015)); and
IES 8	2	2. This IES is addressed to International Federation of Accountants (IFAC) member bodies. IFAC member bodies have a responsibility for the Continuing Professional Development (CPD) of professional accountants, and for fostering a commitment to lifelong learning among professional accountants. Under IES 7, <i>Continuing Professional Development</i> <sup>2</sup> (2014), IFAC member bodies require all professional accountants to develop and maintain professional competence relevant and appropriate to their work and professional responsibilities. IES 8, <i>Professional Competence for</i>	2. This IES is addressed to International Federation of Accountants (IFAC) member bodies. IFAC member bodies have a responsibility for the Continuing Professional Development (CPD) of professional accountants, and for fostering a commitment to lifelong learning among professional accountants. Under IES 7, <i>Continuing Professional Development</i> <sup>2</sup> (2014), IFAC member bodies require all professional accountants to develop and maintain professional competence relevant and appropriate to their work and professional responsibilities. IES

		<i>Engagement Partners Responsible for Audits for Financial Statements</i> (2016) applies this IES 7 requirement to the role of an Engagement Partner. It is the responsibility of the professional accountant performing the role of an Engagement Partner to develop and maintain professional competence by undertaking relevant CPD activities, which include practical experience.	<i>8, Professional Competence for Engagement Partners Responsible for Audits <del>for</del> of Financial Statements</i> (2016) applies this IES 7 requirement to the role of an Engagement Partner. It is the responsibility of the professional accountant performing the role of an Engagement Partner to develop and maintain professional competence by undertaking relevant CPD activities, which include practical experience.
IES 8	A3	3. This IES is intended to be read in conjunction with Statement of Member Obligations (SMO) 1 – <i>Quality Assurance</i> , International Standard on Auditing (ISA) 220, <i>Quality Control for an Audit of Financial Statements</i> , and International Standard on Quality Control (ISQC) 1, <i>Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements</i> . Together, these pronouncements place responsibilities on IFAC member bodies, Engagement Partners, and firms as part of the system of quality control for audits of financial statements. Also, in many jurisdictions, a regulator may have an oversight role in this system of quality control. Each of these stakeholders may have an impact on the professional competence of the Engagement Partner.	3. This IES is intended to be read in conjunction with Statement of Membership Obligations (SMO) 1 – <i>Quality Assurance</i> , International Standard on Auditing (ISA) 220, <i>Quality Control for an Audit of Financial Statements</i> , and International Standard on Quality Control (ISQC) 1, <i>Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements</i> . Together, these pronouncements place responsibilities on IFAC member bodies, Engagement Partners, and firms as part of the system of quality control for audits of financial statements. Also, in many jurisdictions, a regulator may have an oversight role in this system of quality control. Each of these stakeholders may have an impact on the professional competence of the Engagement Partner.
IES 8	A25	Sole Practitioners and Small or Medium Practices A25. By focusing on one specific role rather than an engagement team or firm structure, this IES recognizes the wide range of situations in which the Engagement Partner operates, including as a sole practitioner or within a small or medium practice <sup>15</sup> .	Sole Practitioners and Small <del>or</del> and Medium Practices A25. By focusing on one specific role rather than an engagement team or firm structure, this IES recognizes the wide range of situations in which the Engagement Partner operates, including as a sole practitioner or within a small <del>or</del> and medium practice <sup>15</sup> .
IES 8	Footnote 6	Statement of Membership Obligation 2	Statement of Membership Obligations 2
IES 8	Footnote 12	Statement of Membership Obligation 1	Statement of Membership Obligations 1

IES 8	Footnote 13	Statement of Membership Obligation 2	Statement of Membership Obligations 2
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Following inconsistencies are also noted:

Standard	Paragraph	Current wording
IES 2	A14	A14. The requirement to review and update professional accounting education programs on a regular basis reflects the rapidly-changing and complex environment within which professional accountants operate. A typical review cycle may be three to five years, but it may be appropriate to undertake a more frequent review, for example to take account of changes in legislation, regulations, and standards relevant to professional accountants.
IES 3	A17	A17. The requirement to review and update professional accounting education programs on a regular basis reflects the rapidly changing and complex environment within which professional accountants operate. A typical review cycle may be three to five years, but it may be appropriate to undertake a more frequent review, for example to take account of changes in legislation, regulations, and standards relevant to professional accountants.
IES 4	A33	A33. The requirement to review and update professional accounting education programs on a regular basis reflects of the rapidly-changing and complex environment within which professional accountants operate. A typical review cycle may be three to five years, but it may be appropriate to undertake a more frequent review, for example to take account of changes in legislation, regulations, and standards relevant to professional accountants.

Standard	Paragraph	Current wording	Note
IES 2	Table A	(Level of Proficiency) <sup>1</sup>	Footnote reference is inside the bracket
IES 3	Table A	(Level of Proficiency) <sup>1</sup>	Footnote reference is outside the bracket
IES 4	Table A	(Level of Proficiency) <sup>1</sup>	Footnote reference is outside the bracket



Standard	Paragraph	Current wording	Note
IES 2	Footnote 1	<sup>1</sup> The level of proficiency for a competence area to be achieved by the end of IPD (as outlined in Appendix 1).	With full stop
IES 3	Footnote 1	<sup>1</sup> The level of proficiency for a competence area to be achieved by the end of IPD (as outlined in Appendix 1)	Without full stop
IES 4	Footnote 1	<sup>1</sup> The level of proficiency for a competence area <b>identifies</b> the level to be achieved by the end of IPD (as outlined in Appendix 1)	Without full stop

Standard	Paragraph	Current wording	Note
Glossary	n/a	<i>Aspiring professional accountant</i> —An individual who has commenced a professional accountancy education program* as part of Initial Professional Development.*	<i>Aspiring professional accountant</i> —An individual who has commenced a professional <b>accountancy-</b> accounting education program* as part of Initial Professional Development.*
Glossary	n/a		<b>Capabilities</b> —The professional knowledge;* professional skills;* and professional values, ethics, and attitudes* required to demonstrate competence.*
Glossary	n/a	<i>Financial statements</i> —A structured representation of historical financial information, including related notes, intended to communicate an entity's economic resources or obligations at a point in time and or of the changes therein for a period of time in accordance with a financial reporting framework. The related notes ordinarily comprise a summary of significant accounting policies and other explanatory information. The term “financial statements” ordinarily refers to a complete set of financial statements as determined by the requirements of the applicable financial framework, but can also refer to a single financial statement.	<i>Financial statements</i> —A structured representation of historical financial information, including related notes, intended to communicate an entity's economic resources or obligations at a point in time and or of the changes therein for a period of time in accordance with a financial reporting framework. The related notes ordinarily comprise a summary of significant accounting policies and other explanatory information. The term “financial statements” ordinarily refers to a complete set of financial statements as determined by the requirements of the applicable financial <b>reporting</b> framework, but can also refer to a single financial statement.

		The financial statements subject to audit are those of the entity, prepared by management of the entity with oversight from those charged with governance.	The financial statements subject to audit are those of the entity, prepared by management of the entity with oversight from those charged with governance.
Glossary	n/a	<i>Process measure</i> —A process-based approach focuses on the design and delivery of learning and development,* for example, a course curriculum that is regularly reviewed and updated.	(This should be delete, as there is no mentioning of this term in IESs)

#1 Definition of "Capabilities" is needed in the Glossary of Terms, because this term remains in the Paragraph A11 and A12 of IES 8. Definition is included in the old Glossary of Terms.

Standard	Paragraph	Current wording	Note
	Table of contents	'HYPHEN-MINUS' (U+002D) showing range of pages	'EN DASH' (U+2013) to be align with IES Table of contents