

Mr Ken Siong,  
Technical director,  
International Ethics Standards Board for Accountants (IESBA)  
545 Fifth Avenue, 14 th Floor,  
New York,  
USA

Nieuwegein, the Netherlands, 21 March, 2016

Dear Mr Siong,

Re: IESBA Exposure Draft : Proposed revisions pertaining to safeguards in the Code (Phase 1).

SRA is pleased to provide you with its comments on the above ED. SRA is an association of some 370 SMP's in the Netherlands, which cooperates in a covenant on oversight with the Dutch oversight body, the AFM.

Comments:

We concur with the text, proposed in the ED, with the exception of the following detailed comments.

Re. Question 2:

We refer to proposed article 120.4 A1. The proposed description of a “reasonable and informed third party” is in our view unclear as it involves an evaluation by a hypothetical person. We note that this concept is vitally important in the context of the conceptual framework and should therefore be clear. A hypothetical person does not exist; there is a risk that therefore the concept could be associated with actual persons possessing the skills, knowledge and experience mentioned, which is not intended. Furthermore the description is not clear regarding the timing of the test to be performed.

In our view there is no need to change the text in the present CoE, which describes clearly the evaluation to be made by the accountant in the context of the conceptual framework. We therefore advise to maintain the present text.

Re. Question 2 and 3.

The descriptions of “acceptable level” and “safeguard” are included in the application material. Taking into account the importance of these descriptions we advise to include them in the text of the requirements.

Yours sincerely,

Paul Dinkgreve,  
Chairman SRA

