

Ken Siong
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International Ethics Standards Board for
Accountants

Sent by email:
KenSiong@ethicsboard.org

Brussels, 21 April 2017

Subject: Accountancy Europe comments on the Proposed Revisions to Clarify the Applicability of Provisions in Part C of the Extant Code to Professional Accountants in Public Practice

Dear Mr. Ken Siong,

Accountancy Europe is pleased to provide you with its comments on the IESBA Exposure Draft *Proposed Revisions to Clarify the Applicability of Provisions in Part C of the Extant Code to Professional Accountants in Public Practice* (the ED).

Accountancy Europe's responses to the questions set out in the ED can be found in the appendix to this letter.

GENERAL COMMENTS

We agree with the holistic approach taken by IESBA as it is aligned with the objectives of the undergoing restructuring exercise of the Code. In this sense, IESBA should keep the proposed applicability paragraph in Part 3 (extant Part B) of the Code and refer to it in the Guide to the Code. This will help avoid unnecessary repetition of requirements.

IESBA should take every opportunity to reduce the length of the Code and focus as much as possible on the fundamental principles to enhance its implementation and application.

Concerning the applicability paragraph, we welcome the idea of extending the provisions applicable to Professional Accountants in Business (PAIB) to Professional Accountants in Public Practice (PAPP) where appropriate, but IESBA should be aware of potential unintended consequences of this approach and we wonder whether this has been properly assessed.

The extant definition of PAPP goes beyond professional accountants: this can have implications in terms of enforcement and entail administrative burden without any benefit.

We appreciate the opportunity to provide input and hope that IESBA finds our comments helpful when amending the Code.

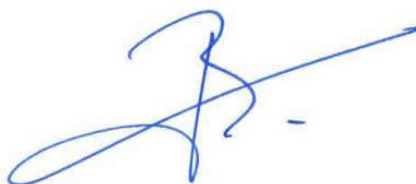
For further information on this Accountancy Europe letter, please contact Noémi Robert on +32 2 893 33 80 or via email at noemi@accountancyeurope.eu or Tiago Mateus on +32 2 893 3376 or via email at tiago@accountancyeurope.eu.

Kind regards,

On behalf of Accountancy Europe,

A handwritten signature in blue ink, appearing to read 'Edelfried Schneider'.

Edelfried Schneider
President

A handwritten signature in blue ink, appearing to read 'Olivier Boutellis-Taft'.

Olivier Boutellis-Taft
Chief Executive

ANNEX 1 – REQUEST FOR SPECIFIC COMMENTS

Proposed Revisions to Clarify the Applicability of Provisions in Part C of the Extant Code to Professional Accountants in Public Practice

1. Do respondents agree with:

(a) The proposed applicability paragraphs; and

(b) The proposed location of those paragraphs in Sections 120 and 300 of the proposed restructured Code.

If not, why not?

We agree with the holistic approach taken by IESBA as it is aligned with the objectives of the undergoing restructuring exercise of the Code.

In this sense, IESBA should keep the proposed applicability paragraph in Part 3 (extant Part B) of the Code and refer to it in the Guide to the Code in order to avoid unnecessary repetition of requirements.

IESBA should take every opportunity to reduce the length of the Code and focus as much as possible on the fundamental principles to enhance its implementation and application.

Concerning the applicability paragraph, we welcome the idea of extending the provisions applicable to PAIB to PAPP where appropriate, but IESBA should be aware of potential unintended consequences of this approach.

The extant definition of PAPP goes beyond professional accountants as this term is also used to refer to a firm of professional accountants in public practice. This may have implications in terms of enforcement and entail administrative burden without any benefit.

Request for General Comments

In addition to the request for specific comments above, the IESBA is also seeking comments on the matters set out below:

Small and Medium Practices (SMPs) and PAIBs – The IESBA invites comments regarding any aspect of the proposals from SMPs and PAIBs.

Accountancy Europe has no comments on this question.

Regulators and Audit Oversight Bodies – The IESBA invites comments on the proposals from an enforcement perspective from members of the regulatory and audit oversight communities.

Not applicable

Developing Nations – Recognizing that many developing nations have adopted or are in the process of adopting the Code, the IESBA invites respondents from these nations to comment on the proposals, and in particular on any foreseeable difficulties in applying them in their environment.

Not applicable

Translations – Recognizing that many respondents may intend to translate the final changes for adoption in their own environments, the IESBA welcomes comment on potential translation issues respondents may note in reviewing the proposals.

We will provide comments on translation issues in our response to IESBA Exposure Draft *Improving the Structure of the Code of Ethics for Professional Accountants—Phase 2*.