

24 November 2017

Mr Ken Siong,
Technical Director,
International Ethics Standards Board for Accountants,
529 Fifth Avenue, 6th Floor,
New York,
NY 10017,
USA.

Dear Mr Siong

Exposure Draft *Proposed Revisions to the Code Pertaining to the Offering and Accepting of Inducements*

Crowe Horwath International is delighted to present a comment letter on the Exposure Draft *Proposed Revisions to the Code Pertaining to the Offering and Accepting of Inducements*. Crowe Horwath International is a leading global network of audit and advisory firms, with members in some 129 countries.

IESBA has addressed a matter that is important to the public interest. The subject of “inducements” has to be addressed and, in principle, IESBA is taking the right approach. We address the specific matters detailed in the IESBA’s request for comments in the appendix to this letter.

We trust that our comments assist the IESBA in this project. We shall be pleased to discuss our comments further with you.

Kind regards

Yours sincerely



David Chitty
International Accounting and Audit Director

Appendix – Response to Request for Specific Comments *Proposed Revisions to the Code Pertaining to the Offering and Accepting of Inducements*

Question	Response
<i>Proposed Section 250</i>	
1. Do respondents support the proposals in Section 250? In particular, do respondents support the proposed guidance to determine whether there is an intent to improperly influence behaviour, and how it is articulated in the proposals?	We should the proposals in Section 250. We agree with the inclusion of guidance. This is important for understanding and applying the standards in area where there can be concerns about the meaning of the terms.
<i>Proposed Section 340</i>	
2. Do respondents agree that the proposed provisions relating to inducements for PAPPs should be aligned with the enhanced provisions for PAIBs in proposed Section 250? If so, do respondents agree that the proposals in Section 340 achieve this objective?	We agree with the alignment between Section 250 and Section 340. We consider that the proposals in Section 340 achieve the objective.
<i>Proposed Conforming Amendments to Independence Provisions</i>	
3. Do respondents support the restructuring changes and proposed conforming amendments in proposed Sections 420 and 906?	We agree with the restructuring changes and conforming amendments.
4. Do respondents believe the IESBA should consider a project in the future to achieve further alignment of Sections 402 and 906 with proposed Section 340? If so, please explain why.	IESBA should consider a further alignment project. It is important that the independence standards for audits, reviews and other assurance standards are aligned with the standards for professional accountants in public practice.