



THE INSTITUTE OF CHARTERED
ACCOUNTANTS OF BANGLADESH (ICAB)

ICAB's Comments on

Proposed Revisions Pertaining to Safeguards in the
Code—Phase I

The Institute of Chartered Accountants of Bangladesh (ICAB)

ICAB's Comments on "Proposed Revisions Pertaining to Safeguards in the Code—Phase I"

We have gone through the Exposure Draft on **Proposed Revisions Pertaining to Safeguards in the Code Phase-I** issued by **International Ethics Standard Board for Accountants (IESBA)** on Proposed Changes for **Improving the Structure of the Code of Ethics for Professional Accountants**.

Our Comments on the Requested Specific Questions are as follows:

Specific Comments

Proposed Revisions to the Conceptual Framework

1. Do respondents support the Board's proposed revisions to the extant Code pertaining to the conceptual framework, including the proposed requirements and application material related to:
 - (a) Identifying threats;
 - (b) Evaluating threats;
 - (c) Addressing threats;
 - (d) Re-evaluating threats; and
 - (e) The overall assessment.

If not, why not?

ICAB's Comment:

Yes, we support the Board's proposed revisions to the extant Code pertaining to the conceptual framework, including the proposed requirements and application material related to (a) identifying threats, (b) evaluating threats, (c) addressing threats, (d) re-evaluating threats and (e) the overall assessment.

Proposed Revised Descriptions of "Reasonable and Informed Third Party" and "Acceptable Level"

2. Do respondents support the proposed revisions aimed at clarifying the concepts of (a) "reasonable and informed third party;" and (b) "acceptable level" in the Code. If not, why not?

ICAB's Comment:

Yes, we support the proposed revisions aimed at clarifying the concepts of (a) "reasonable and informed third party;" and (b) "acceptable level" in the Code.

Proposed Revised Description of Safeguards

3. Do respondents support the proposed description of "safeguards?" If not, why not?

ICAB's Comment:

Yes, we support the proposed description of "safeguards".

4. Do respondents agree with the IESBA's conclusions that "safeguards created by the profession or legislation," "safeguards in the work environment," and "safeguards implemented by the entity" in the extant Code:
- (a) Do not meet the proposed description of safeguards in this ED?
 - (b) Are better characterized as "conditions, policies and procedures that affect the professional accountant's identification and potentially the evaluation of threats as discussed in paragraphs 26–28 of this Explanatory Memorandum?"

If not, why not?

ICAB's Comment:

- (a) **Yes, we agree with the IESBA's conclusions that "safeguards created by the profession or legislation," "safeguards in the work environment," and "safeguards implemented by the entity" in the extant Code do not meet the proposed description of safeguards in this ED.**
- (b) **Yes, we agree with the IESBA's conclusions that "safeguards created by the profession or legislation," "safeguards in the work environment," and "safeguards implemented by the entity" in the extant Code are better characterized as "conditions, policies and procedures that affect the professional accountant's identification and potentially the evaluation of threats as discussed in paragraphs 26–28 of this Explanatory Memorandum"**

Proposals for Professional Accountants in Public Practice

5. Do respondents agree with the IESBA's approach to the revisions in proposed Section 300 for professional accountants in public practice? If not, why not and what suggestions for an alternative approach do respondents have that they believe would be more appropriate?

ICAB's Comment:

Yes, we agree with the IESBA's approach to the revisions in proposed Section 300 for professional accountants in public practice.

We have no suggestion for an alternative approach.

General Comments

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

- (a) Small and Medium Practices (SMPs) – The IESBA invites comments regarding the impact of the proposed changes for SMPs.
- (b) 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.

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

ICAB's Comment:

- (a) **Small and Medium Practices (SMPs)** – we have a good number of SMPs engaged in public practice who are already well aware about the Code and we believe that the revised Code will have no adverse impact for SMPs.
- (b) **Developing Nations** – though Bangladesh is a developing country, the Institute of Chartered Accountants of Bangladesh (ICAB) has adopted the Code of Ethics as it is pronounced by the IESBA. The various stakeholders of the Code have always appreciated this initiative and have applied in discharging their respective responsibilities. However at present, we do not foresee any difficulties in applying them in our environment.
- (c) **Translations** – ICAB follows a standard curriculum which is in line with that of ICAEW and the medium of education is in English Language. Besides, we always adopt and publish IFAC and Other Pronouncements in English Language. Therefore, we would rather prefer to get the final pronouncement for adoption in Bangladesh in English language.