

June 26, 2019

The IESBA Task Force Chairman
International Ethics Standards Board for Accountants
International Federation of Accountants
529 5th Avenue, 6th Floor
New York
New York 10017
United States of America

Via Online Submission

Dear Ms Liesbet Haustermans

**COMMENTS ON IESBA EXPOSURE DRAFT
PROPOSED REVISIONS TO PART 4B OF THE CODE TO REFLECT TERMS AND
CONCEPTS USED IN ISAE 3000 (REVISED)**

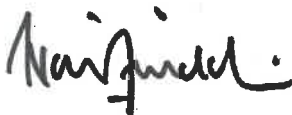
We thank you for the opportunity to comment on IESBA Exposure Draft, *Proposed Revisions to Part 4B of the Code to Reflect Terms and Concepts Used in ISAE 3000 (Revised)*.

In this regard, we are pleased to attach the Institute's comments as set out in Appendix I for your consideration.

Please do not hesitate to contact the undersigned or the Institute's Senior Technical Manager, Ms Hoh Kim Hyan, at +603-2698 9622 should you require any clarification.

Thank you.

Yours faithfully



NOVIE TAJUDDIN
Chief Executive Officer

THE MALAYSIAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
(INSTITUT AKAUNTAN AWAM BERTAULIAH MALAYSIA)

International Ethics Standards Board for Accountants

Exposure Draft

Proposed Revisions to Part 4B of the Code to Reflect Terms and Concepts Used in ISAE 3000 (Revised)

Questionnaire

The IESBA welcomes comments on all matters addressed in the ED, but especially those identified in the Request for Specific Comments below. Comments are most helpful when they refer to specific paragraphs, include the reasons for the comments, and, where appropriate, make specific suggestions for any proposed changes to wording. When a respondent agrees with proposals in the ED, it will be helpful for the IESBA to be made aware of this view.

The IESBA is not inviting comments on the terms and concepts included in ISAE 3000 (Revised) itself as these are the responsibility of IAASB and outside the scope of the Exposure Draft.

Question 1

Do you believe that the changes in the key terminology used in the Exposure Draft, including the definition of 'assurance client', are clear and appropriate for use in Part 4B?

MICPA's Comments:

Yes, the revised definition of 'assurance client' is clear and appropriate. Proposed changes to the key terminology are also clear but perhaps the new definition of 'underlying subject matter' could be further improved. This is because the new definition refers to 'phenomenon', which in itself may be unclear and could be clarified by inserting examples.

Question 2

Do you have any comments on the application of the IESBA's proposals to the detailed independence requirements and application material as explained above and summarized in the appendix?

MICPA's Comments:

The Institute is supportive of the application of IESBA's proposals and does not have further comments.

Question 3

Do you have any comments on the other proposed changes, including on the consistency of terms and concepts in Part 4B in relation to the text of ISAE 3000 (Revised)? If so, please specify the area of inconsistency and suggest alternative wording.

MICPA's Comments:

The Institute is supportive of the other proposed changes and does not have further comments.

Question 4

Are there any other matters that you consider should be addressed with respect to the alignment with ISAE 3000 (Revised) in Part 4B or in other material, for example in an IESBA Staff publication? If so, please provide sufficient explanation, including practical examples of the matter where available.

MICPA's Comments

No, MICPA does not have any other matters to raise.

Question 5

Do you agree with the proposed effective date? If not, please indicate why not and explain your reasoning.

MICPA's Comments:

Yes, MICPA agrees with the proposed effective date.

Question 6

In addition to the requests 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* – Recognising 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) *Translation* – Recognising that many respondents may intend to translate the final guidance for adoption in their own environments, the IESBA welcomes comments on potential translation issues respondents may note in reviewing the proposals.

MICPA's Comments:

The Institute does not foresee difficulties for the SMPs nor for developing nations to adopt these proposals. There is no requirement to translate this document into local language in Malaysia.