

Brasília, Brazil, June 24th, 2019

Mr. Ken Siong
IESBA Senior Technical Director
United States

Dear Mr. Siong,

The Conselho Federal de Contabilidade - Federal Accounting Council (in English) – CFC is the national body of the accounting profession in Brazil that sets Brazilian Accounting Standards, regulate and supervise the profession and promoting continuing professional development.

The CFC has been active on the world scenario for over twenty years, participating in accounting discussions, through representations in international organizations such as IFAC, AIC, CILEA. The IASB Board also IFAC Board currently have brazilian members and the GLASS (Group Latin American Standard Setters) is chaired by a Brazilian.

CFC supports the IESBA initiative to align Part 4B of the Code with the revised assurance terms and concepts in ISAE 3000 (Revised). We believe the proposed changes to Part 4B substantially responds to this objective. We trust this effort will increase the understanding and the applicability of Part 4B.

Our responses to the questions included in the ED are set out below.

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?

We believe the proposed changes used in Part 4B will align the Code with ISAE 3000 (Revised), and will thereby improve the understanding and the applicability of Part 4B. We agree with the revised definition of “Assurance client”.

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?

We refer to the differentiation of assurance engagement between Parts 4A and 4B. CFC agrees that it is helpful to separate the requirements for audits of financial statements and those for assurance engagements in Parts 4A and 4B, respectively. We believe that additional wording under the definition of “Financial statements” that it

does not refer to specific elements, accounts or items of a financial statement will make it clear that Part 4A does not cover engagements such as those conducted under ISA 805.

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.

We do not have any other comment.

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.

We do not have any other comment.

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

We understand the proposed effective date is reasonable.

Sincerely yours

Idésio da Silva Coelho Júnior
Technical Vice President