



Membre de : - l'International Federation of Accountants (**IFAC**)
- la Pan African Federation of Accountants (**PAFA**)
- la Fédération Internationale Des Experts comptables Francophones(**FIDEF**)

Subject : Comments on proposed revisions pertaining to IESBA

Dear Sir,

We are pleased to inform you that we agree with the proposed revisions pertaining to IESBA structure in the Code. We have only comments on the matters presented at paragraph 31 (f) and (g), 32 of the ED.

31. Request for Specific Comments

Refinements to the Code

1. Do you agree with the proposals, or do you have any suggestions for further improvement to the material in the ED, particularly with regard to :
 - a) Understandability, including the usefulness of the Guide to the Code?
Yes
 - (b) The clarity of the relationship between requirements and application material? **Yes**
 - (c) The clarity of the principles basis of the Code supported by specific requirements? **Yes**
 - (d) The clarity of the responsibility of individual accountants and firms for compliance with requirements of the Code in particular circumstances?
Yes
 - (e) The clarity of language? **Yes**
 - (f) The navigability of the Code, including :
 - (i) numbering and layout of the sections;

The prohibitions ("shall not") are labelled under the category of "R". In our opinion, a third label "P" (Prohibition) should be used for the prohibitions because it is related to acts or situations to the respect of the principles of the Code of Ethics. (Example. "P111.2" instead of "R111.2", "P510.9" instead of "R510.9"...)

- Paragraphs 10, 11 and 12 of the "Guide to the Code" seem to be "Application materials" if not "requirements" because they

provide approaches and indications. This Guide should be numbered section "000" for harmonization with the rest of the document and the appropriated classification "R" or "A" should be inserted in the references of paragraphs 010, 011 and 012.

- (ii) suggestions for future electronic enhancements? **none**
- (iii) Suggestions for future tools? **none**

(g) The enforceability of the Code? **Yes but we should adopt the Code according to the law in force in Madagascar.**

2. Do you believe the restructuring will enhance the adoption of the Code? **Yes, there are more details and adjustments that emerge a guideline valid in all parties. (Conceptual framework)**
3. Do you believe that the restructuring has changed the meaning of the Code with respect to any particular provisions? If so, please explain why and suggest alternative wording. **No**

Other matters

4. Do you have any comments on the clarity and appropriateness of the term “audit” continuing to include “review” for the purposes of the independence standards? **Sections 400 to 600: The term 'audit' is used to show the two missions. It is better to use the term "engagement" instead of "Audit" each time that the two missions are concerned in order to avoid confusions (Example : Instead of "audit client" use "engagement Client", instead of "audit team", use "engagement Team"...)**

5. Do you have any comments on the clarity and appropriateness of the restructured material in the way that it distinguished firms and network firms? **No**

Title

6. Is the proposed title for the restructured Code appropriate? **Yes**

Request for General Comments

32. 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.

For SMPs in our country, there will be difficulties to practice all changes because the profession is in full development. The new fellow members have difficulties to follow all principles.

We suggest that the “Ordre des experts-comptables et financiers” can help to resolve any problem.

(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. **No comment**

(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.

- In French and Malagasy language, the word "materials" refers to physical instruments while this is not the case in the term “Application materials”. This could also be the case with other languages. "Materials" could be perhaps replaced by a word that does not require interpretation (eg " Application instruments") to facilitate translation.

We thank you for giving us opportunity to present our comments.