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KICPA's Comments on IESBA's Exposure Draft on Proposed QM related conforming amendments to the Code

Dear Ken Siong

We, at the Korean Institute of Certified Public Accountants (KICPA), strongly support the International Ethics Standards Board for Accountants (IESBA) for its commitment to developing high-quality professional ethics standards to raise the bar for ethical conduct expected from professional accountants and to serve the public interest. We are also very pleased to have opportunity to provide our responses to the IESBA ED, "Proposed Quality Management-related Conforming Amendments to the Code" as below.

The KICPA generally agrees on the proposed conforming amendments to the International Code of Ethics for Professional Accountants ("the Code") that are aimed to reflect the IAASB's amendments to Quality Management Standards in the Code.

Regarding question 2 in the request for specific comments, the ED explains that the IESBA doesn't agree on the amendment to paragraph 300.7 A5 proposed by the IAASB on the ground that "IESBA considered that authority and accountability rest with individual professional

accountants in public practice within the firm even though decisions about accepting or providing services to a client are those of the firm”, which, in our opinion, constitutes a sufficiently valid reason. On the other hand, the IAASB has concerns that the phrase “including decisions about accepting or providing services to a client” may mislead the audience to believe that it implies the “engagement partner makes the decision to accept or continue the client engagement”. We believe that such concerns also need to be heeded and respected. The engagement partner has a wide range of other authorities across overall professional service concerning the professional accountant’s compliance with the fundamental principles, besides the authority to make decisions about accepting or providing services to a client. Making decisions about accepting or providing services to a client is only one of such wide-ranging authorities. Therefore, deleting the phrase in the Code wouldn’t undermine the purpose of the paragraph. In this regard, we respect the concerns raised by the IAASB and find its suggestion acceptable.

We hope that the IESBA finds our comments helpful for its QM-related conforming amendments project aimed to further improve the Code. Please contact us at jjsilverk@kicpa.kr for any question regarding our comments.

Thank you.