2. (untitled)

1. *From which perspective are you providing this feedback? [* Required where indicated]*

Professional accountant in public practice

Please provide the following contact information:

First Name

Theo

Last Name

Vermaak

Job Title/Role

Chairman - Professional Standards

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theo.vermaak@pkf.com

Organization Name (if applicable)

PKF International Limited

2. *In which country or jurisdiction do you or your organization work or serve? (If international, please indicate so; if a region of the world, please indicate which region)*

If country, please select country?

OR if a region of the world, please indicate which region:

OR if international, please indicate by ticking the box:

International

3. (untitled)

B.1 Do you have any specific comments on this topic and, in particular, why this topic should or should not be prioritized?

As a result of advancements in technology and the way in which data is processed and transformed to form information, accountants will need to constantly re-skill themselves. We agree that these specific questions must be addressed to keep the Code relevant in an evolving global environment.

The world is very aware of changes in technology. Not prioritising this area may result in the deterioration of the image and status of the profession.

More importantly, the accountancy profession has a tremendous opportunity to take the lead, or partner with technology companies, to develop ethical standards related to technological developments outside of the immediate sphere of influence or the work area of professional accountants (such as artificial intelligence, driver-less cars, etc). While difficult for a standard setting board to pursue in isolation, this is an

area we believe should be further explored with the profession itself.,

Commenting on the specific questions within this section,
1. We don't believe that new ethics standards are needed to address emergent patterns of social behavior caused by technological disruptions, as the Code sufficiently provides the theoretical underpinning, but could be enhanced with application material.
2. The use of machine applications would not detract from the concept of independence of mind and the fundamental principles of integrity, objectivity and professional behaviour. The growing focus on data analytics and audit automation tools removes to some extent from the process the professional's preconceptions and bias. Audit trails are built into machine applications that can be used to identify anomalies or manipulations that may affect the integrity of the data.
3. With respect to compliance with data privacy or intellectual property laws and regulations, history suggests that there is a significant lead time from when laws and regulations are enacted to when they are effective. The pace at which laws and regulations are amended is slower that the rapid pace in which technology changes. Therefore, instead of amending the Code to reflect the technological environment at present, the Code should rather provide overarching guidance that can be applied even when technology changes.
4. In terms of services such as cyber-security advisory services or data analytics, see our opening comments on re-skilling. Ensuring that the fundamental principle of professional competence and due care is maintained, should be the key driver.
5. Cloud-based applications present very specific benefits and risks. Linking to cyber-security, safety of electronic data is critical. The use of third parties to manage these services does not absolve the professional from a responsibility to ensure that the data is secure.

This topic should be prioritised.

B.2 Do you have any specific comments on this topic and, in particular, why this topic should or should not be prioritized?

We believe this is an important area to consider. While the Code remains largely principles based and application of the conceptual framework approach should be flexible enough to address evolving models of service delivery, there may well be areas that need to be considered more specifically.

The concept of "office" in relation to independence is particularly important given the changing organisational structures of firms. This topic should be prioritised, though we believe that it may well be best addressed through guidance and/or case studies.

Also see our comments below in relation to emerging non-assurance services.

B.3 Do you have any specific comments on this topic and, in particular, why this topic should or should not be prioritized?

We believe that definitions and concepts should remain relevant for a global Code, and can not take into account every single jurisdictional nuance. However, there are some real challenges in practice, especially where jurisdictions to not provide adequate guidance locally, or where "listed" entities are in fact not PIEs at all.

Guidance for standard setters to clarify how they might define a PIE, and the flexibility for local regulators to exclude or exempt certain listed entities from the PIE definition and related requirements of the Code, may need to be explored.

This topic should NOT be prioritised.

B.4 Do you have any specific comments on this topic and, in particular, why

this topic should or should not be prioritized?

Although we acknowledge the need to clarify the application of the "related-entity" definition, CIVs are heavily regulated by their local jurisdictions.

This topic should NOT be prioritised.

B.5 Do you have any specific comments on this topic and, in particular, why this topic should or should not be prioritized?

Tackling the ethical implications of tax planning and tax minimisation will no doubt be a challenging project. As alluded to in the anticipated scope of the project, the legalities of tax mitigation's and arrangements will have an impact on what is perceived as ethical, although legality may not fully be considered ethical.

It is important that the Code continue to address matters related to all public accountants in this regard. We suggest that the Board proceeds with caution due to the inherent tensions in public accountants' duties towards different stakeholders, and the complexities involved. E.g., the term "aggressive" may need to be defined, which will be very challenging, coupled with clear guidance and application material within the Code.

This topic should be prioritised.

B.6 Do you have any specific comments on this topic and, in particular, why this topic should or should not be prioritized?

To define or explain materiality in every context that it may be used will be unnecessarily complicated and cumbersome. We suggest that there may well be areas where its meaning and application may benefit from guidance, but this should not aim to narrowly define the meaning in each context.

A "general use" definition based on principles of significance may be useful, with additional guidance where considered necessary to explain what factors to consider when deciding whether a matter should be considered material in certain contexts.

We agree that any projects around materiality require co-ordination with the IAASB and IASB as the project will not be helpful if it results in a definition/understanding of materiality that conflicts or confuses the meaning in the standards produced by these boards.

This topic should NOT be prioritised.

B.7 Do you have any specific comments on this topic and, in particular, why this topic should or should not be prioritized?

With the amendments to the International Auditing Standards, there has been an increased focus on communication with those charged with governance and management. We believe there are more critical areas for the IESBA to consider.

This topic should NOT be prioritised.

B.8 Do you have any specific comments on this topic and, in particular, why this topic should or should not be prioritized?

Guidance on documentation will certainly be welcomed to promote adequate and consistent documentation. Whether enhancements take the form of guidance or requirements should be very carefully considered, as onerous requirements may have unintended consequences or lead to regulator over-reaction or reach, as often happens. In summary, we consider this an important area, though the exact

nature of additions to the Code need to be considered with great care.

This topic should be prioritised.

B.9 Do you have any specific comments on this topic and, in particular, why this topic should or should not be prioritized?

Although we acknowledge the importance of guidance, where necessary, addressing implementation of safeguards to address threats, we do not consider this an immediate priority. PAIBs may need to consider familiarity threats in a very large number of situations or arising from different relationships. Addressing all of these would be impossible. Examples may be useful, but we believe the Code sufficiently addresses this topic.

This topic should NOT be prioritised.

4. (untitled)

B.10 Do you have any specific comments on this topic and, in particular, why this topic should or should not be prioritized?

This topic is critically important, both in order to maintain and enhance the reputation of the profession, and to improve the effectiveness of the Code.

We do not believe however that eliminating optionality for reporting is a suitable solution. This will surely depend on significance, as well as the nature, intent and consequences of the breach.

Guidance on the following is also welcomed:
1. Protocols that the PA can implement to detect breaches of the Code.
2. The extent that PA would need to perform an investigation.
3. The extent of documentation required.
4. The circumstances that will lead to reporting the breach to an authority or a regulatory body.

This topic should be prioritised.

B.11 Do you have any specific comments on this topic and, in particular, why this topic should or should not be prioritized?

We believe that there should be consistency used in common terms used by the various standard setting boards, unless the meanings are clearly different (see Materiality discussion earlier). This could however be addressed as part of other projects, or as incremental improvements to the Code, and while important, we do NOT believe it should be prioritised as a separate project.

B.12 Do you have any specific comments on this topic and, in particular, why this topic should or should not be prioritized?

It is important to review the outcome of this project. However, we believe that professional accountants should be provided with sufficient time to effectively implement the Code, prior to the review.

This topic should be prioritised.

B.13 Do you have any specific comments on this topic and, in particular, why this topic should or should not be prioritized?

Defining the term "public interest" will be extremely difficult. This is of course not enough reason not to pursue the project, though we believe there are also risks associated with too narrow or too wide a definition. It may be useful to provide guidance explaining what may be considered to be in the public interest. More importantly, we recommend that the IESBA monitors developments in this regard as many

others have identified the need to define or better explain the concept of public interest.

This topic should NOT be prioritised.

Are there any trends, developments or issues not otherwise covered in this section that you would rank in your top six priorities? **If so, please explain why.**

None to note

Please rank your top six priorities among items B.1 to B.13 above (1 being highest and 6 being lowest).

1. B.1 Trends and developments in technology and innovation
2. B.2 Emerging or newer models of service delivery
3. B.5 Tax planning and related services
4. B.8 Documentation
5. B.12 Post-implementation review of the restructured Code
6. B.10 Breach of the Code

5. (untitled)

C.1 Do you have any comments on any of the above activities or initiatives? In particular, do you believe any of them should not be a strategic priority for the IESBA and, if so, why? **Please be as specific as possible.**

We support initiatives to promote adoption and implementation of the Code, as well as communication and education of stakeholders other than professional accountants, and generally promoting the improved Code. This is critically important.

C.2 Are there any specific activities or initiatives you believe the IESBA should undertake to promote further adoption and more effective implementation of the Code? **If so, please explain why.**

None to note.

6. (untitled)

D.1 Are there any particular matters you believe the IESBA should consider in relation to any one of these pre-existing commitments? **Please be as specific as possible and explain your reasoning.**

Non-assurance services:
The current Code includes requirements and guidance in relation to specific non-assurance services (NAS), such as bookkeeping, recruitment and internal audit. See earlier comments in relation to new or emerging models of service delivery. In addition to models of service delivery, a number of NAS are emerging or becoming more common as technology develops and innovations take place (e.g. provision of cyber security services and data analysis). Notwithstanding the fact that application of the conceptual framework addresses the provision of NAS, the IESBA may need to consider the specific services covered by the current independence standards and whether these are all still required and whether additional NAS should be addressed.

Fee-related matters:
The current Code includes a number of requirements specific to fees, and we believe the concept of significance of fees in the context of overall firm revenue and partner fees are well embedded in practice.

We urge that the IESBA proceeds very carefully with its exploration of fee-related matters to be truly focused on threats to independence and compliance with the fundamental principles, rather than firm structures and commercial arrangements that in our view have no or little bearing on independence, such as "the provision of audit services by a firm that also has a significant non-audit services business".

7. (untitled)

Section E: Any Other Strategic Matters

E.1 Are there any other matters of strategic importance not covered elsewhere in this survey or your earlier responses that you believe the IESBA should consider as it positions the Code for 2025? **Please be as specific as possible.**

None noted.

8. (untitled)

3. **Please confirm that you have completed all your responses?**

Yes