



Technical Director
International Ethics Standards Board for Accountants
International Federation of Accountants
529 Fifth Avenue, 6th Floor
New York 10017

October 5th, 2021

Re: IESBA Exposure Draft – Proposed Quality Management-related Conforming Amendments to the Code

Dear Mr Siong,

Introduction

We⁽¹⁾ appreciate and thank you for the opportunity to comment on the IESBA's Exposure Draft (ED) regarding Proposed Quality Management-related Conforming Amendments to the Code.

Comment

We are broadly supportive of the proposed changes to the Code but offer a few comments below in response to the specific requests for comments from the Board.

⁽¹⁾ This response is being filed on behalf of PricewaterhouseCoopers International Limited (PwCIL). References to "PwC", "we" and "our" refer to PwCIL and its global network of member firms, each of which is a separate and independent legal entity.

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Specific comments

1. Do you agree with the proposed conforming amendments in this ED?

Yes, we agree with the proposed changes subject to consideration of the following comments.

320.3 A4 and 330.4.A2 - Although these paragraphs are only drafted in the context of "factors" we question whether it was intentional that the previous wording did not directly reference ISQC 1 and left it as a more principles-based statement? We therefore wonder whether the Board could achieve the same intent by leaving out the words "in accordance with ISQM 1", although we can appreciate that the Board may be seeking to more closely link the application material to ISQM 1. We note that 400.80.A1, which is similar in nature, does not directly reference ISQM 1 but works well as a principles-based statement.

900.3 - This section deals with assurance engagements other than audits and reviews, so the reference to ISAs in this paragraph seems misplaced and we recommend that this is deleted.

2. In addition to the proposed conforming amendments, the IESBA also considered the matter raised concerning decisions about accepting or providing services to a client in paragraph 300.7 A5. See explanation in the margin of paragraph 300.7 A5. Do you agree with the IESBA's view on this matter? If not, please explain why.

Yes, on balance we support the Board's view. While the requirement in ISQM 1 is drafted in the context of the firm, the practical discharging of those responsibilities will, in the majority of cases, be effected through the engagement partner following the firm's policies and procedures, as envisaged by ISA 220. Further we do not consider that the change between ISQC1 and ISQM1 would be so significant as to warrant a change. We are therefore comfortable in retaining the existing wording.

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

Yes, we concur with the proposed effective date.

Contact

We would be happy to discuss our views with you. If you have any questions regarding this letter, please contact me at samuel.l.burke@pwc.com.

Yours sincerely



A handwritten signature in black ink that reads "Sam".

Sam Burke
Global Independence Leader