

**ASOCIACION INTERAMERICANA DE CONTABILIDAD
INTERAMERICAN ACCOUNTING ASSOCIATION
ASSOCIAÇÃO INTERAMERICANA DE CONTABILIDADE**

San Juan, Puerto Rico August 16th, 2018

Members of the Board

International Ethics Standards Board for Accountants® (IESBA®).

529 5th Avenue, 6th Floor
New York, New York 10017

REF: Professional Skepticism – Meeting Public Expectations

Dear Members of the Board,

The Inter-American Accounting Association (IAA) (AIC – in Spanish), welcomes the opportunity to comment on the Exposure Professional Skepticism – Meeting Public Expectations.

This reply summarizes the views of different member countries of the IAA, according to the following due process:

Due process:

The Draft was submitted to the different IAA member, the Inter-American Technical Commissions (ITC) and the Sponsor Organizations (SO), hence all members had the opportunity to participate in the discussion of the Draft.

All comments received from the ITC and SO, were compared and discussed, before preparing a reply which has been approved upon by all members

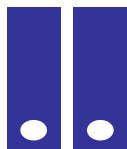
General comments:

We decisively support the IESBA initiative on this important issue, considering the educational issue as fundamental in the formation and exercise of the accounting and auditing professional.

If you have any questions about our comments, please do not hesitate to contact us.

Sincerely,

Cornelio Porras Cuéllar
PRESIDENT

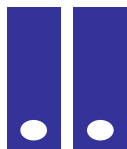


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Comment Letter of the Interamerican Accounting Association- IAA on the document for public discussion referred to; “Professional Skepticism – Meeting Public Expectations”.

We have answered the questions of the document in accordance with the provided instructions. Please see our answers and related comments below.

- Question 1** Paragraph 5 – Do you agree with the premise that a key factor affecting public trust in the profession is whether information with which a professional accountant is associated can be relied upon for its intended use?
- Answer 1** *We agree with this premise.*
- Question 2** Paragraph 10 – Do you agree with the behavior associated with public expectations of professional accountants? Are there aspects that should be included or excluded from the summary?
- Answer 2** *Yes, we agree and consider that it is not necessary to attach or remove something*
- Question 3** Paragraphs 13 and 14 – Do you agree that the mindset and behavior described in paragraph 10 should be expected of all professional accountants? If not, why not?
- Answer 3** *Yes, we agree, because the conceptual framework establishes that the accountant must always act according to the public interest.*
- Question 4** Paragraph 16 – Do you believe the fundamental principles in the Code and related application material are sufficient to support the behaviors associated with the exercise of appropriate “professional skepticism?”
- Answer 4** *Yes, some improvements are enough.*
- Question 5** Paragraph 18 – Do you believe professional skepticism, as defined in International Standards on Auditing, would be the appropriate term to use?
- Answer 5** *Yes, we consider it appropriate.*
- Question 6** Paragraph 19 –
- (a) Do you believe that the Code should retain/use the term “professional skepticism” but develop a new definition?
 - (b) If so, do you support a new definition along the lines set out in paragraph 19?
 - (c) If you do not support a definition along the lines described, could you please provide an alternative definition.
- Answer 6** *We agree with paragraph 19*



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Question 7 Paragraph 20 –

- (a) Would you support an alternative term to ‘professional skepticism’, such as ‘critical thinking’, ‘critical analysis’ or ‘diligent mindset’?
- (b) If not, what other term(s), if any, would you suggest which focusses on the mindset and behaviors to be exercised by all professional accountants?

Answer 7 ***We support the term "critical analysis"***

Question 8 Paragraph 21 – Should the IESBA develop additional material, whether in the Code or otherwise, to highlight the importance of exercising the behavior and relevant professional skills as described? If yes, please suggest the type of application material that in your view would be the most meaningful to enhance the understanding of these behavioral characteristics and professional skills.

Answer 8 ***Yes, you should develop additional material in the code itself, enunciating some examples.***

Question 9 What implications do you see on IAASB's International Standards as a result of the options in paragraphs 18 to 21?¹

Answer 9 ***It would affect positively, because the accountant in public practice could have more application material and greater and better examples of professional skepticism.***

Question 10 Paragraph 22 – Should the Code include application or other material to increase awareness of biases, pressure and other impediments to approaching professional activities with an impartial and diligent mindset and exercising appropriate professional skepticism in the circumstances? If yes, please suggest the type of materials that in your view would be the most meaningful to help professional accountants understand how bias, pressure and other impediments might influence their work.

Answer 10 ***Yes, another material should be included. This material would be independent of any new definition and/or application material to address the behavior described in paragraph 10.***
