



Suruhanjaya Sekuriti
Securities Commission
Malaysia

Reference No: AOB/IESBA/R&RT/2015-005/NOCLAR

7 September 2015

Mr Ken Siong
Technical Director
International Ethics Standards Board for Accountants
529 Fifth Avenue, 6th Floor
New York, NY10017
USA

Dear Sir

**COMMENTS ON IESBA EXPOSURE DRAFT
RESPONDING TO NON-COMPLIANCE WITH LAWS AND REGULATIONS**

We thank you for the opportunity to comment.

The Audit Oversight Board, Malaysia (AOB) supports the efforts of the International Ethics Standards Board for Accountants (IESBA) to enhance guidance in the Code of Ethics for Professional Accountants (the Code) to better assist professional accountants (PAs) in responding to identified or suspected non-compliance with laws and regulations (NOCLAR).

In this regard, the AOB has no objection to the proposed sections 225 and 360 of the Code outlined in the exposure draft addressing the response framework to identified or suspected NOCLAR by PA in public practice and business.

In addition, the AOB commends the IESBA for acknowledging that PAs in public practice providing services to audit clients (auditors) have greater responsibility to take action to respond to identified or suspected NOCLAR than other PAs in public practice. Senior PAs in business (PAIBs) are also acknowledged as having greater responsibility than other PAIBs to respond to identified or suspected NOCLAR, given their decision-making ability and the expectations of them by virtue of their positions.

Should you require any further clarification, please do not hesitate to contact Lim Fen Nee at +603 2091 0608 or at her email FNlim@seccom.com.my.

Thank you.

Yours sincerely

NIK MOHD HASYUDEEN YUSOFF
Executive Chairman
Audit Oversight Board

Audit Oversight Board

Securities Commission Malaysia

Suite 8-6, Level 8, Wisma UOA Damansara II No. 6, Changkat Semantan, Damansara Heights, 50490 Kuala Lumpur
Tel: 603-2091 0666 Fax: 603-2091 0600