

WIRTSCHAFTSPRÜFERKAMMER . Postfach 30 18 82 . 10746 Berlin

Mr David McPeak  
IAESB Principal  
International Accounting Education Standards Board  
(IAESB)  
529 Fifth Avenue, 6<sup>th</sup> Floor  
New York, NY 10017  
USA

By electronic submission through the IAESB website

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Contact: **Christian Bauch**  
**+49 30 726 161 216**  
INT/IAESB/797

- please always indicate -

**Re.: Exposure Draft: “Proposed International Education Standard IES™ 7  
Continuing Professional Development (Revised)”**

Dear David,

We are pleased to take this opportunity to participate in the invitation to comment on the IAESB Exposure Draft: “Proposed International Education Standard IES 7, Continuing Professional Development (Revised)”.

The most important aspect of the Exposure Draft is the approach taken towards **measurement of CPD**. The Exposure Draft still allows for an output-based approach, an input-based approach, or both. That is, in our view, an appropriate decision.

We are aware of the complexity of this issue and the wide range of opinions related to it. An input-based approach is sometimes deemed to be “simple”. However, it will help many IFAC Member Organizations to implement a robust CPD system comparatively easy to monitor. We think this will be the right way forward if we are serious about global implementation – and not only prescription – of CPD.

Unfortunately, there is one aspect in the Exposure Draft that somehow blurs the input-based approach. Paragraph 14 of the Exposure Draft only requires a “specified amount of learning and development activity”. The extant IES 7 (paragraph 15) prescribes a specific amount of hours to be completed (120 hours in each rolling three-year period, of which 60 hours shall be verifiable).

We strongly believe that IES 7 (Revised) should preserve this requirement. The replacement of a specific amount of hours with the mere requirement of a “specified amount” (without designating a number of hours) would probably open discussions in quite a few IFAC Member Organizations about what exactly the “specified amount” should look like. We are not convinced that these discussions will always come to an end that fosters the quality of CPD. Again: An input-based approach with a specific amount of hours will help a lot of IFAC Member Organizations.

Having made these general remarks, we would like to respond to the individual questions now:

*Question 1. Is the Objective statement (see paragraph 8) of the proposed IES 7 appropriate and clear?*

We wonder if keeping the term “in the public interest” is still in line with Appendix 1 of the Framework for International Education Standards for Professional Accountants and Aspiring Professional Accountants (2015). According to the Framework the “objective assists an IFAC member body to understand the overall aim of the standard, and what needs to be accomplished, as well as to decide whether more needs to be done to achieve the objective”.

Public interest is the underlying rationale of all IESs. But the core of the objective for all professional accountants is to develop and maintain the professional competence necessary to perform their roles, and to meet the needs of clients, employers, and other stakeholders.

*Question 2. Are the Requirements (see paragraphs 9-17) of the proposed IES 7 appropriate and clear?*

With the exception of the matter of measurement of CPD addressed above, the requirements seem appropriate and clear.

*Question 3. Are there any additional explanatory paragraphs needed to better explain the requirements of the proposed IES 7?*

We do not think that any additional explanatory paragraphs are needed.

*Question 4. Do proposed revisions to the output-based approach requirement (see paragraph 13) and related explanatory material (see paragraphs A19-A21) improve understanding and your ability to apply an output-based measurement approach? If not, what suggestions do you have to improve clarity of the output-based approach?*

The proposed revisions help to better understand an output-based measurement approach.

*Question 5. Are there any terms within the proposed IES 7 which require further clarification? If so, please explain the nature of the deficiencies?*

We do not see any terms which require further clarification.

*Question 6. Do you anticipate any impact or implications for your organization, or organizations with which you are familiar, in implementing the requirements included in this proposed IES 7?*

The CPD approach in Germany already being on an appropriate level with a focus on adequacy and relevance of each professional accountant's CPD, we do not expect any significant impact or implications for IFAC member bodies in Germany in implementing the requirements included in this Exposure Draft.

*Question 7. What topics or subject areas should implementation guidance cover?*

We believe that, at least for the time being, additional implementation guidance beyond that in the proposed explanatory material is not needed.

We hope that our remarks will support the deliberations of the IAESB, and we would be delighted to answer any questions you may have.

Yours truly

Dr. Reiner J. Veidt  
Executive Director

RA Christian Bauch  
Deputy Director of the Examination Unit