

**MALAYSIAN INSTITUTE OF ACCOUNTANTS (MIA)'S RESPONSE TO THE  
PROPOSED REVISION TO PARAGRAPH 8.151 OF THE IFAC CODE OF ETHICS  
FOR PROFESSIONAL ACCOUNTANTS**

The Malaysian Institute of Accountants (MIA) is pleased to submit its response to the proposed revision to paragraph 8.151 of the IFAC Code of Ethics for Professional Accountants. Our comments are set out below.

While we acknowledge that the intention of the revision is to ensure that the lead engagement partner does not play a significant role and exert undue influence on the engagement team after being rotated out as the lead engagement partner, we are of the view that the proposed revision to paragraph 8.151 is too drastic and inflexible.

In practice, another key role apart from that of a lead engagement partner is that of an independent partner or concurring partner. It is clearly provided in the current Code of Ethics for Professional Accountants that the lead engagement partner cannot be the independent or concurring partner for a period of two years after being rotated out. However, the lead engagement partner may possess industry specialities and knowledge that would be invaluable to the engagement team, and opportunity should be given to the engagement team to consult the lead engagement partner on these areas.

In any case, if the past lead engagement partner is involved in any manner, he would still need to serve a cooling off period of two years (after such involvement) before becoming the lead engagement partner again.

This flexibility is essential as it is difficult to predict when the knowledge of the lead engagement partner may have to be tapped on to minimize risk to the firm. Safeguards can be applied to minimize any threats to independence even if the past lead engagement partner is involved in a non-decision making role within the engagement team.