

STATEMENT OF MEMBERSHIP OBLIGATIONS 3
INTERNATIONAL STANDARDS, RELATED PRACTICE STATEMENTS
AND OTHER PAPERS ISSUED BY THE IAASB

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Obligations

1. **Member bodies should notify their members of all International Standards, related Practice Statements and other papers issued by the IAASB.**

2. International Standards issued by the IAASB comprise International Standards on Quality Control (ISQCs), International Standards on Auditing (ISAs), International Standards on Review Engagements (ISREs), International Standards on Assurance Engagements (ISAEs), and International Standards on Related Services (ISRSs). The IAASB also issues related Practice Statements and other papers to provide interpretive guidance and practical assistance to professional accountants in implementing International Standards and to promote good practice. A description of, and the authority attaching to, International Standards, related Practice Statements and other papers are contained in the Preface to the International Standards on Quality Control, Auditing, Assurance and Related Services.

3. The IAASB exposes proposed International Standards and proposed Practice Statements for public comment. Member bodies are encouraged to notify their members of all exposure drafts issued by the IAASB and to encourage them to comment on behalf of those members that have an interest in quality control, auditing, review, other assurance, or related services standards.

4. **Member bodies should use their best endeavors:**
 - (a) **To incorporate the International Standards issued by the IAASB into their national standards or related other pronouncements, or where responsibility for the development of national standards or related other pronouncements lies with third parties, to persuade those responsible to incorporate the International Standards into their national standards or related other pronouncements; and**

 - (b) **To assist with the implementation of International Standards or national standards and related other pronouncements that incorporate International Standards. This includes promoting the use of related Practice Statements, or the development of national pronouncements that**

incorporate related Practice Statements or that provide similar implementation guidance.

Although the Constitution of IFAC and this SMO acknowledge national standards, member bodies should, in implementing their obligations of membership, have as a central objective the convergence of national standards or related other pronouncements with International Standards issued by the IAASB.

5. **Member bodies should implement a process that provides for the timely, accurate and complete translation of International Standards, and for the timely dissemination of such translations where the International Standards are generally used by professional accountants in the jurisdictions of those member bodies, or where an understanding of International Standards is necessary for the proper implementation or interpretation of national standards.**

Interpretation

6. A member body has used “best endeavors” if it could not reasonably do more than it has done and is doing to meet the particular membership obligation.

Effective Date

7. This SMO is effective as of December 31, 2004 and was last amended as of as of November 10, 2006.

STATEMENT OF MEMBERSHIP OBLIGATIONS 4
IFAC CODE OF ETHICS FOR PROFESSIONAL ACCOUNTANTS
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Obligations

1. **Member bodies should notify their members of the provisions of the IFAC Code of Ethics and other pronouncements developed by IESBA.**
2. IESBA exposes proposed revisions to the IFAC Code for public comment. Member bodies are encouraged to notify their members of all exposure drafts issued by the IESBA and to encourage them to comment on behalf of those members that have an interest in ethics for professional accountants.
3. The IFAC Code establishes the fundamental principles of professional ethics for professional accountants and provides a conceptual framework and guidance for applying those principles.
4. **Member bodies should not apply less stringent standards than those stated in the IFAC Code of Ethics. If a member body is prohibited from complying with certain parts of the Code by law or regulation, it should comply with all other parts of the Code.**
5. **Where responsibility for the development of national codes of ethics lies with third parties, member bodies should, in implementing their obligations of membership, have as a central objective the convergence of the national code with the IFAC Code. Member bodies should use their best endeavors to persuade those responsible for developing those national codes to incorporate the IFAC Code.**

Interpretation

6. A member body has used its “best endeavors” if it could not reasonably do more than it has done and is doing to meet the particular membership obligation.
7. Member bodies are encouraged to make counseling and advice available to their members to help resolve ethical conflicts. Doing so plays an important part in implementing ethical requirements. For example, member bodies can (a) provide a service that responds to questions raised by individual members on interpretations

of ethical requirements, or (b) form appropriate committees within member bodies who monitor their ethical requirements.

8. An interpretation/advice/counseling service will ordinarily include the following features:
 - Its purpose and operating procedures are clear, understandable and widely promoted to the members.
 - Its operating procedures provide safeguards to (a) avoid having to consider unreasonable questions from members, and (b) make the questioner responsible for clearly setting out the facts and circumstances.
 - Those who are responsible for providing the advice hold positions at a level commensurate with such authority and have sufficient technical expertise and practical experience to provide such advice.
 - Inquiries are ordinarily made on a confidential basis.
 - Results of any interpretation/counseling/advice questions that are of broad interest are subject to publication (on a “no-name” basis) for the members as an educational method.
9. Introducing a communication program designed to make individual members aware of all ethical requirements, and the consequences of non-compliance, may assist member bodies to implement ethical requirements. Information may be communicated in such ways as:
 - Members’ handbooks.
 - Technical releases.
 - Professional journals.
 - Reports on disciplinary hearings and activities.
 - Programs of continuing professional development.
 - Newsletters.
 - Financial and business press.
 - Responses from the appropriate committee to requests for advice.

Effective Date

10. This SMO is effective as of December 31, 2004 and was last amended as of November 10, 2006.