

IESBA Sustainability

General comments (a) – SMEs and SMPs – Yes

Independent National Standard Setter

APESB - Accounting Professional & Ethical Standards Board (Australia)

Implementing these proposals will be very challenging for SMEs and SMPs, mainly due to resource limitations and time constraints in setting up appropriate quality management systems required, which include monitoring and educating non-PAs about proposed ethics and independence provisions when performing sustainability assurance engagements.

Professional Accounting Organizations (PAOs)

ACCA - Association of Chartered Certified Accountants

We suggest IESBA be sensitive to the volume and number of changes going forward as SMPs are struggling with the pace of change. Specific challenges for SMPs include updating manuals and processes, providing staff training and monitoring and control of new changes. Given the volume and complexity, we believe that effective implementation by many SMPs will lag that of larger firms.

BICA - Botswana Institute of Chartered Accountants

GENERAL COMMENTS:

When considering the questions related to small- and medium-sized entities (SMEs) and small and medium practices (SMPs) in the context of the proposed revisions to the Code relating to sustainability assurance and reporting, several key points can directly affect them:

(1) (a) Small- and Medium-sized Entities (SMEs) and Small and Medium Practices (SMPs) – The IESBA invites comments regarding any aspect of the proposals from SMEs and SMPs.

Small- and Medium-sized Entities (SMEs) and Small and Medium Practices (SMPs):

- Tailoring the proposed revisions to accommodate the specific needs and limitations of SMEs and SMPs is crucial for effective implementation. Practical guidance and scalability are essential to ensure that these entities can adhere to sustainability assurance and reporting standards without undue burden. Soliciting feedback from SMEs and SMPs can provide valuable insights for refining the proposals to better support these entities.

To address the specific needs of SMEs and SMPs, it's essential to tailor the proposed revisions, particularly in areas such as;

a. NAS Provision to SMEs and SMPs

Comment

- The coverage of specific types of non-assurance services (NAS) in Subsections 5601 to 5610 should consider the unique needs and capacities of SMEs and SMPs. It is essential to ensure that the provisions are practical and tailored to the resources and expertise available to these entities.

b. Independence Issues for SMEs and SMPs:

Comment

- Addressing independence issues that could arise when sustainability assurance practitioners also audit the financial statements of SMEs and SMPs is crucial. Special attention should be given to the proportion of fees for audit and sustainability assurance engagements, as well as the duration of the relationship, to maintain objectivity and independence.

c. Additional Guidance for SMEs and SMPs:

Comment

- Providing clear and practical guidance from a sustainability assurance perspective in Chapter 1 of the Exposure Draft is essential for SMEs and SMPs. The guidance should be easily understandable and applicable to entities with limited resources and expertise.

d. Scope of Sustainability Reporting for SMEs and SMPs:

Comment

- When expanding the scope of the Code to all preparers of sustainability information, the IESBA should consider the specific challenges faced by SMEs and SMPs in reporting sustainability information. The approach should be flexible and scalable to accommodate the diverse nature and size of these entities.

e. Proposed Revisions for SMEs and SMPs:

Comment

- Ensuring that the proposed revisions to Parts 1 to 3 of the Code in Chapter 4 of the ED are clear and adequate from a sustainability reporting perspective is crucial for SMEs and SMPs. The revisions should be practical and feasible for entities with limited resources and capabilities.

f. Effective Date Alignment for SMEs and SMPs:

Comment

- Supporting the proposal to align the effective date of the final provisions with ISSA 5000 can benefit SMEs and SMPs by providing a consistent timeline for implementation. This alignment can help these entities prepare and adapt to the new standards effectively.

Addressing these points with a focus on the specific needs and challenges faced by SMEs and SMPs can help tailor the policy to be more inclusive, practical, and supportive of these entities in their sustainability assurance and reporting efforts.

CFAR - Chamber of Financial Auditors of Romania

- will the standard be sufficiently scalable to be used by Small and Medium Practices (SMPs) in Small and Medium-sized Enterprises (SMEs) sustainability reporting and assurance engagements, even in cases where the reporting and the assurance are voluntary? Could there be a specific approach tailored for SMEs and SMPs such as compact / distinct paragraphs for SMEs and SMPs? Even if such provisions exist in ED, it would be useful for them to be clearly identified as demarcated paragraphs;

CPAA - CPA Australia

SMPs – whether in or outside of the accountancy profession – will find Part 5 extremely challenging to adopt and implement. Many smaller practitioners already find the current Code difficult to implement. As the Code will run into several hundred pages after these revisions are made, the time has come (maybe already passed) for the IESBA to seriously consider having an abbreviated Code of Ethics for use by SMEs and SMPs – to complement the work done by other standard setters with respect to having, for example, developed IFRS for SMEs and a standard on audits of less complex entities.

EFAA - European Federation of Accountants and Auditors for SMEs

Given our constituency is small- and medium-sized accountancy practices (SMPs) in Europe we have three main considerations. First, to ensure that the standard will be sufficiently scalable to be used by SMPs on SME sustainability reporting and assurance engagements, including those where the report and the assurance are voluntary. We strongly prefer a ‘Think Small First’ approach, developing straightforward regulation and standards for SMEs and SMPs and then scaling up to suit larger more complex companies and practices. Second, to ensure that there is sufficient guidance for assurance providers that have little expertise in sustainability assurance. SMPs face a huge challenge building the capacity and capability to perform high quality sustainability assurance services. And third, to ensure that the standard serves the European public interest. In general, EFAA believes that the IESSA-ED adequately addresses these three considerations. That said, we do have comments on the specific matters in the Explanatory Memorandum as shown in the next section.

In our response to the IESBA’s Proposed Strategy and Work Plan for 2024-2027 we urged IESBA to be more sensitive to the volume and number of changes going forward as SMPs are struggling with the pace of change. Specific challenges for SMPs include updating manuals and processes, providing staff training and monitoring and control of new changes. Given the volume and complexity, we are concerned that many SMPs may struggle to effectively implement Part 5.

ICAEW - Institute of Chartered Accountants in England and Wales

119. We note that complying with the proposed independence provisions relating to value chain for example, is likely to require significant investment in processes, disclosure procedures and quality management systems which might potentially have the unintended consequences of acting as a barrier to entry in the sustainability assurance market for SMEs/SMPS.

IDW - Institute der Wirtschaftsprüfer (Germany)

We anticipate that SMPs are likely to have serious difficulties in applying the IESSA as drafted. In particular, the requirements to ensure compliance by other practitioners and independence with value-chain entities (as well as when using the work of experts) will be challenging as explained above.

We also note that the many differences between the extant code parts 1 to 4A would also represent a challenge for SMPs where they would need to adjust their internal quality management systems. This will also pose a challenge for larger networks, but SMPs will

be particularly disadvantaged because they cannot leverage the effort as widely in a smaller network.

IFAC - International Federation of Accountants

A key point which was raised in the IFAC SMPAG response to the IESBA's Proposed Strategy and Work Plan for 2024-2027 is for the IESBA to be far more sensitive to the volume and number of changes going forward as SMPs are struggling with the pace of change. Specific challenges for SMPs include updating manuals and processes, providing staff training and monitoring and control of new changes. Given the volume and complexity, we believe that effective implementation by many SMPs will lag that of larger firms.

PAFA - The Pan-African Federation of Accountants

We are concerned that many SMPs may struggle to effectively implement Part 5.

WPK - Wirtschaftsprüferkammer (Germany)

As a fundamental principle, we wish to emphasize the importance of considering the concerns of SMPs in the development of requirements within the Code of Ethics. This is particularly crucial given that SMEs and their respective auditors form the backbone of the economy and must not be unduly burdened.

General comments (a) – SMEs and SMPs – No

Regulators and Oversight Authorities, incl. Monitoring Group members

ACRA - Accounting and Corporate Regulatory Authority (Singapore)

BAOA - Botswana Accountancy Oversight Authority

CEAOB - Committee of European Auditing Oversight Bodies

ESMA - European Securities and Market Authority

IAASA - Irish Auditing & Accounting Supervisory Authority

IFIAR - International Forum of Independent Audit Regulators

IOSCO - International Organization of Securities Commissions

IRBA - Independent Regulatory Board for Auditors

NASBA - National Association of State Boards of Accountancy (US)

PAABZ - The Public Accountants and Auditors Board of Zimbabwe

SGX - Singapore Exchange Limited

UKFRC - United Kingdom Financial Reporting Council

Investors and Other Users

Ceres Accelerator

DIR - Daiwa Institute of Research Ltd

IAIP - Indian Association of Investment Professionals (CFA Society India)

MSCI - Morgan Stanley Capital International

NBIM - Norges Bank Investment Management

SAAJ - The Securities Analysts Association of Japan

Preparers and Those Charged With Governance

Asma Jan Muhammad

BD - Bruno Dirringer

ICFOA - International CFO Alliance

Public Sector Organizations

AGNZ - Office of the Auditor General of New Zealand

GAO - US Government Accountability Office

UNCTAD ARL - UNCTAD's Latin America Regional Alliance

UNCTAD ARP - UNCTAD African Regional Partnership

Independent National Standard Setter

NZAuASB - New-Zealand Auditing & Assurance Standard Board

Professional Accounting Organizations (PAOs)

AE - Accountancy Europe

AIC - Asociacion Interamericana de Contabilidad (Inter-American Accounting Association)

Accordingly, we have considered the requirement for SMEs because is characterized in our region by entities considered as SMEs.

AICPA - American Institute of Certified Public Accountants Professional Ethics Executive Committee

CAANZ - Chartered Accountants Australia and New Zealand

No comments.

CAI - Chartered Accountants of Ireland

CBPS-CFC-IBRACON - Comitê Brasileiro de Pronunciamentos de Sustentabilidade, Conselho Federal de Contabilidade and Instituto Brasileiro de Auditoria Independente

CNCC-CNOEC - Compagnie Nationale des Commissaires aux Comptes and Conseil National de L'Ordre Des Experts-Comptables

CPAC - Chartered Professional Accountants Canada Public Trust Committee

FACPCE - Federación Argentina de Consejos Profesionales de Ciencias Económicas

GAA - Global Accounting Alliance

HKICPA - Hong Kong Institute of Certified Public Accountants

ICAS - The Institute of Chartered Accountants of Scotland

ICPAU - Institute of Certified Public Accountants of Uganda

IICA - Institute of Indonesia Chartered Accountants

INCP - National Institute of Public Accountants of Colombia

IPA - Institute of Public Accountants (Australia)

ISCA - Institute of Singapore Chartered Accountants

IWP - Institut Österreichischer Wirtschaftsprüferinnen

JICPA - Japanese Institute of Certified Public Accountants

(Comment)

We have no comment.

KICPA - Korean Institute of Certified Public Accountants

MIA (Malta) - The Malta Institute of Accountants

MIA-Malaysian - Malaysian Institute of Accountants

MICPA - Malaysian Institute of Certified Public Accountants

Comment:

This question is not relevant to us.

NBA - Royal Netherlands Institute of Chartered Accountants

NYSSCPA - New York State Society of CPAs

PICPA - Pennsylvania Institute of Certified Public Accountants

SAICA - South African Institute of Chartered Accountants

ANNEXURE B – RESPONSE TO REQUEST FOR GENERAL COMMENTS

SAICA engaged members from different constituencies as part of our working group to collate information in responding to the ED. The working group included members from Small and Medium Sized Entities, Regulatory Boards and Academic, amongst others. The comments included in Annexure A therefore includes the inputs from these constituencies.

It is also important to note that South Africa is a developing nation and as noted in the introduction to this submission, SAICA which is Professional Accountancy Organisation (PAO) in South Africa has adopted the IESBA Code. The comments reflected in Annexure A also reflects those of a developing nation.

SOCPA - Saudi Organization for Chartered and Professional Accountants

Other Assurance Providers and Accreditation Bodies (non-PAs)

AccountAbility

IAF - International Accreditation Forum

JAB - Japan Accreditation Board

Accounting Firms and Sole Practitioners

Assirevi - Association of Italian Audit Firms

BDO - BDO International Limited

BKTI - Baker Tilly International

DTTL - Deloitte Touch Tohmatsu Limited

EY - Ernst & Young Global Limited

GTIL - Grant Thornton International Limited

KPMG - KPMG IFRG Limited

MAZARS - Mazars Group

We have no comments

MOORE - Moore Global Network Limited

MU - Muhammad Umar - Mo Chartered Accountants

PKF - PKF Global

PP - Pitcher Partners Advisors Proprietary Limited

PwC - PricewaterhouseCoopers International Limited

RSM - RSM International Limited

Academia and Research Institutes

AFAANZ - The Auditing and Assurance Standards Committee of the Accounting and Finance Association of Australia and New Zealand

DIRC - Deakin University Integrated Reporting Centre

NNN - Nada Naufal, Director at the American University of Beirut

NRS - Professor_Nicole_Ratzinger-Sakel

NSU - Nova Southeastern University (Florida)

Others

IBA - The International Bar Association

IIA - The Institute of Internal Auditors

General comments (b) – Regulators and Oversight Bodies – Yes

Professional Accounting Organizations (PAOs)

ACCA - Association of Chartered Certified Accountants

From an enforcement standpoint, clarity, enforceability, and practicality are paramount considerations in evaluating the exposure draft of Proposed International Ethics Standards for Sustainability Assurance (including International Independence Standards) and Other Revisions to the Code Relating to Sustainability Assurance and Reporting (ED-IESSA). We encourage further clarity on how the standards accommodate the unique perspectives and expertise of sustainability assurance practitioners outside of the accountancy profession and how this will be regulated in practice, as noted above. It's important to ensure that ED-IESSA is flexible enough to accommodate different methodologies and approaches while maintaining rigor and integrity in the assurance process and consistency across different regulatory and oversight bodies. For example, the International Auditing and Assurance Standards Board (IAASB) is finalizing International Standard on Sustainability Assurance (ISSA) 5000, General Requirements for Sustainability Assurance Engagements and in the EU, as per the CSRD, assurance by an independent auditor or other assurance service provider is initially mandated at a limited assurance level with the overarching goal to eventually transition to a reasonable assurance level.

BICA - Botswana Institute of Chartered Accountants

Regulators and Oversight Bodies:

- Collaboration with regulators and oversight bodies is essential to ensure alignment with regulatory requirements and enforceability of the proposed revisions. Insights from these stakeholders can inform adjustments to enhance the effectiveness of the standards and streamline compliance efforts. Engaging with regulators fosters a coordinated approach to sustainability assurance and reporting, promoting consistency and reliability in regulatory frameworks.

CPAA - CPA Australia

The proposed revisions add to the enforcement challenges for professional accountancy organisations undertaking quality reviews of, and professional conduct activities with respect to, its members. Of particular concern is the inherent assumption in some of the proposed provisions that professional accountants/sustainability assurance practitioners can demand information from third parties and are expected to assume responsibility for the actions of others.

CPAC - Chartered Professional Accountants Canada Public Trust Committee

Regulatory regime

In many jurisdictions, including Canada, the regulatory environment around sustainability information is still evolving and our stakeholders have been persistent in raising concerns and questions about the enforceability of some of the provisions in the IESSA, particularly for SAPs who are not PAs.

The PTC commends the IESBA's efforts in addressing ethics and independence standards for sustainability reporting and assurance and believes that this work will be responsive to

the public interest in the context of a strong regulatory regime for sustainability information. We think that post-implementation review of the IESSA will help to identify whether stakeholder concerns about enforceability have been addressed.

The PTC also observes that, due to the perennial and evolving nature of sustainability information, an emerging regulatory framework for reporting and assurance, and the IESBA's plan to develop ethics standards for sustainability reporting for non-PAs, it will be necessary to continue to revisit the need for additional guidance and training in the future to ensure that it remains relevant and relatable for both PAs and non-PAs.

ICAEW - Institute of Chartered Accountants in England and Wales

120. We have considerable concerns about the uniform application and implementation of the IESSA by Sustainability Assurance Practitioners who may not be subject to the oversight of a professional body with a Code of Conduct and with transparent and effective enforcement mechanisms.

121. As noted above in response to individual questions, we have several concerns relating to the practical implementation of the standard, particularly in relation to value-chains, and transparency of adherence across what will be a broad range of sustainability assurance providers.

IFAC - International Federation of Accountants

As outlined above, PAOs are also struggling with the adoption and implementation of new and revised standards because of the pace of change to the IESBA Code. The proposals in the ED will create additional enforcement challenges for PAOs to contend with when undertaking quality reviews and professional conduct activities, as well the level of support that will be required to support education and training for PAs.

We note the Board has acknowledged concerns about the volume and frequency of changes to the Code in its published strategy and work plan for 2024-2027. While the general usage of the IESBA Code remains consistently high across IFAC member jurisdictions, in recent years the global adoption data (obtained from IFAC's member compliance program) has indicated a decrease in jurisdictions being able to keep up to date with the latest version of the IESBA Code (fully "Adopted"). Correspondingly, there is an increase in jurisdictions continuing to use an earlier version of the IESBA Code ("Partially Adopted"). We recognize the importance of IESBA's work on sustainability assurance and reporting, but therefore caution that further changes to the standards should be a key strategic matter for consideration.

General comments (b) – Regulators and Oversight Bodies – No

Regulators and Oversight Authorities, incl. Monitoring Group members

ACRA - Accounting and Corporate Regulatory Authority (Singapore)

BAOA - Botswana Accountancy Oversight Authority

CEAOB - Committee of European Auditing Oversight Bodies

ESMA - European Securities and Market Authority

IAASA - Irish Auditing & Accounting Supervisory Authority

IFIAR - International Forum of Independent Audit Regulators

IOSCO - International Organization of Securities Commissions

IRBA - Independent Regulatory Board for Auditors

NASBA - National Association of State Boards of Accountancy (US)

PAABZ - The Public Accountants and Auditors Board of Zimbabwe

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ICFOA - International CFO Alliance

Public Sector Organizations

AGNZ - Office of the Auditor General of New Zealand

GAO - US Government Accountability Office

UNCTAD ARL - UNCTAD's Latin America Regional Alliance

UNCTAD ARP - UNCTAD African Regional Partnership

Independent National Standard Setter

APESB - Accounting Professional & Ethical Standards Board (Australia)

No specific concerns have been brought to the APESB's attention.

NZAuASB - New-Zealand Auditing & Assurance Standard Board

Professional Accounting Organizations (PAOs)

AE - Accountancy Europe

AIC - Asociacion Interamericana de Contabilidad (Inter-American Accounting Association)

This requirement does not apply to us because we are not a Regulator or Supervisory Body.

AICPA - American Institute of Certified Public Accountants Professional Ethics Executive Committee

CAANZ - Chartered Accountants Australia and New Zealand

No comments.

CAI - Chartered Accountants of Ireland

CBPS-CFC-IBRACON - Comitê Brasileiro de Pronunciamentos de Sustentabilidade, Conselho Federal de Contabilidade and Instituto Brasileiro de Auditoria Independente

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HKICPA - Hong Kong Institute of Certified Public Accountants

ICAS - The Institute of Chartered Accountants of Scotland

ICPAU - Institute of Certified Public Accountants of Uganda

IDW - Institute der Wirtschaftsprüfer (Germany)

N/A.

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IPA - Institute of Public Accountants (Australia)

ISCA - Institute of Singapore Chartered Accountants

IWP - Institut Österreichischer Wirtschaftsprüferinnen

JICPA - Japanese Institute of Certified Public Accountants

(Comment)

Not applicable.

KICPA - Korean Institute of Certified Public Accountants

MIA (Malta) - The Malta Institute of Accountants

MIA-Malaysian - Malaysian Institute of Accountants

Not applicable.

MICPA - Malaysian Institute of Certified Public Accountants

Comment:

This question is not relevant to us.

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ANNEXURE B – RESPONSE TO REQUEST FOR GENERAL COMMENTS

SAICA engaged members from different constituencies as part of our working group to collate information in responding to the ED. The working group included members from Small and Medium Sized Entities, Regulatory Boards and Academic, amongst others. The comments included in Annexure A therefore includes the inputs from these constituencies.

It is also important to note that South Africa is a developing nation and as noted in the introduction to this submission, SAICA which is Professional Accountancy Organisation (PAO) in South Africa has adopted the IESBA Code. The comments reflected in Annexure A also reflects those of a developing nation.

SOCPA - Saudi Organization for Chartered and Professional Accountants

WPK - Wirtschaftsprüferkammer (Germany)

n/a

Other Assurance Providers and Accreditation Bodies (non-PAs)

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We have no comments

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NRS - Professor_Nicole_Ratzinger-Sakel

NSU - Nova Southeastern University (Florida)

Others

IBA - The International Bar Association

IIA - The Institute of Internal Auditors

General comments (c) – Sustainability Assurance Practitioners Other than Professional Accountants – Yes

Professional Accounting Organizations (PAOs)

ACCA - Association of Chartered Certified Accountants

Clarity, understandability, and usability are crucial aspects to consider in ethics for sustainability assurance. Ensuring that the proposed standards are accessible and comprehensible to practitioners from diverse backgrounds is essential for fostering consistency and quality in assurance engagements alongside ISSA 5000 and other related standards. We commend IESBA for consulting with a broad spectrum of stakeholders, recognizing the multidisciplinary nature of sustainability assurance. Collaboration and inclusivity in the standard-setting process are fundamental for developing robust and effective guidelines that can address the evolving needs of the profession alongside working with other standard setters to ensure consistency, for example IAASB.

BICA - Botswana Institute of Chartered Accountants

Sustainability Assurance Practitioners Outside of the Accountancy Profession:

- Gathering feedback from sustainability assurance practitioners beyond the accountancy profession enriches the development process by incorporating diverse perspectives. Assessing the clarity and usability of the proposals from varied professional backgrounds enhances their relevance and applicability across different sectors. Inclusivity in stakeholder engagement fosters broader acceptance and adoption of the standards, advancing the practice of sustainability assurance globally.

General comments (c) – Sustainability Assurance Practitioners Other than Professional Accountants – No

Regulators and Oversight Authorities, incl. Monitoring Group members

ACRA - Accounting and Corporate Regulatory Authority (Singapore)

BAOA - Botswana Accountancy Oversight Authority

CEAOB - Committee of European Auditing Oversight Bodies

ESMA - European Securities and Market Authority

IAASA - Irish Auditing & Accounting Supervisory Authority

IFIAR - International Forum of Independent Audit Regulators

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IRBA - Independent Regulatory Board for Auditors

NASBA - National Association of State Boards of Accountancy (US)

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Investors and Other Users

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Independent National Standard Setter

APESB - Accounting Professional & Ethical Standards Board (Australia)

No specific concerns have been brought to the APESB's attention.

NZAuASB - New-Zealand Auditing & Assurance Standard Board

Professional Accounting Organizations (PAOs)

AE - Accountancy Europe

AIC - Asociacion Interamericana de Contabilidad (Inter-American Accounting Association)

Our comments in this document represent the voice of Sustainability Assurance Professionals only, therefore, this point does not apply to us.

AICPA - American Institute of Certified Public Accountants Professional Ethics Executive Committee

CAANZ - Chartered Accountants Australia and New Zealand

No comments.

CAI - Chartered Accountants of Ireland

CBPS-CFC-IBRACON - Comitê Brasileiro de Pronunciamentos de Sustentabilidade, Conselho Federal de Contabilidade and Instituto Brasileiro de Auditoria Independente

CFAR - Chamber of Financial Auditors of Romania

CNCC-CNOEC - Compagnie Nationale des Commissaires aux Comptes and Conseil National de L'Ordre Des Experts-Comptables

CPAA - CPA Australia

Not applicable.

CPAC - Chartered Professional Accountants Canada Public Trust Committee

EFAA - European Federation of Accountants and Auditors for SMEs

FACPCE - Federación Argentina de Consejos Profesionales de Ciencias Económicas

GAA - Global Accounting Alliance

HKICPA - Hong Kong Institute of Certified Public Accountants

ICAEW - Institute of Chartered Accountants in England and Wales

122. ICAEW has no comments from this perspective.

ICAS - The Institute of Chartered Accountants of Scotland

ICPAU - Institute of Certified Public Accountants of Uganda

IDW - Institute der Wirtschaftsprüfer (Germany)

N/A.

IFAC - International Federation of Accountants

We have no further comments.

IICA - Institute of Indonesia Chartered Accountants

INCP - National Institute of Public Accountants of Colombia

IPA - Institute of Public Accountants (Australia)

ISCA - Institute of Singapore Chartered Accountants

IWP - Institut Österreichischer Wirtschaftsprüferinnen

JICPA - Japanese Institute of Certified Public Accountants

(Comment)

Not applicable.

KICPA - Korean Institute of Certified Public Accountants

MIA (Malta) - The Malta Institute of Accountants

MIA-Malaysian - Malaysian Institute of Accountants

MICPA - Malaysian Institute of Certified Public Accountants

Comment:

This question is not relevant to us.

NBA - Royal Netherlands Institute of Chartered Accountants

NYSSCPA - New York State Society of CPAs

PAFA - The Pan-African Federation of Accountants

We have no further comments.

PICPA - Pennsylvania Institute of Certified Public Accountants

SAICA - South African Institute of Chartered Accountants

ANNEXURE B – RESPONSE TO REQUEST FOR GENERAL COMMENTS

SAICA engaged members from different constituencies as part of our working group to collate information in responding to the ED. The working group included members from Small and Medium Sized Entities, Regulatory Boards and Academic, amongst others. The comments included in Annexure A therefore includes the inputs from these constituencies.

It is also important to note that South Africa is a developing nation and as noted in the introduction to this submission, SAICA which is Professional Accountancy Organisation (PAO) in South Africa has adopted the IESBA Code. The comments reflected in Annexure A also reflects those of a developing nation.

SOCPA - Saudi Organization for Chartered and Professional Accountants

WPK - Wirtschaftsprüferkammer (Germany)

n/a

Other Assurance Providers and Accreditation Bodies (non-PAs)

AccountAbility

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JAB - Japan Accreditation Board

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We have no comments

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NRS - Professor_Nicole_Ratzinger-Sakel

NSU - Nova Southeastern University (Florida)

Others

IBA - The International Bar Association

IIA - The Institute of Internal Auditors

General comments (d) – Developing Nations – Yes

Professional Accounting Organizations (PAOs)

BICA - Botswana Institute of Chartered Accountants

Developing Nations (Specifically in the Context of Botswana):

- Recognizing the unique challenges faced by developing nations, such as Botswana, in adopting and implementing the proposed revisions is paramount. Feedback from stakeholders in these regions sheds light on potential obstacles and opportunities for tailored solutions. Addressing specific concerns ensures that the standards are accessible and effective in diverse socio-economic contexts, promoting equitable participation and progress in sustainability reporting practices.

General comments (d) – Developing Nations – No

Regulators and Oversight Authorities, incl. Monitoring Group members

ACRA - Accounting and Corporate Regulatory Authority (Singapore)

BAOA - Botswana Accountancy Oversight Authority

CEAOB - Committee of European Auditing Oversight Bodies

ESMA - European Securities and Market Authority

IAASA - Irish Auditing & Accounting Supervisory Authority

IFIAR - International Forum of Independent Audit Regulators

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IAIP - Indian Association of Investment Professionals (CFA Society India)

MSCI - Morgan Stanley Capital International

NBIM - Norges Bank Investment Management

SAAJ - The Securities Analysts Association of Japan

Preparers and Those Charged With Governance

Asma Jan Muhammad

BD - Bruno Dirringer

ICFOA - International CFO Alliance

Public Sector Organizations

AGNZ - Office of the Auditor General of New Zealand

GAO - US Government Accountability Office

UNCTAD ARL - UNCTAD's Latin America Regional Alliance

UNCTAD ARP - UNCTAD African Regional Partnership

Independent National Standard Setter

APESB - Accounting Professional & Ethical Standards Board (Australia)

Not applicable.

NZAuASB - New-Zealand Auditing & Assurance Standard Board

Professional Accounting Organizations (PAOs)

ACCA - Association of Chartered Certified Accountants

No comments.

AE - Accountancy Europe

AIC - Asociacion Interamericana de Contabilidad (Inter-American Accounting Association)

Latin America, in general, is characterized by developing countries, members of our Association, therefore, our comments represent those countries.

AICPA - American Institute of Certified Public Accountants Professional Ethics Executive Committee

CAANZ - Chartered Accountants Australia and New Zealand

No comments.

CAI - Chartered Accountants of Ireland

CBPS-CFC-IBRACON - Comitê Brasileiro de Pronunciamentos de Sustentabilidade, Conselho Federal de Contabilidade and Instituto Brasileiro de Auditoria Independente

CFAR - Chamber of Financial Auditors of Romania

CNCC-CNOEC - Compagnie Nationale des Commissaires aux Comptes and Conseil National de L'Ordre Des Experts-Comptables

CPAA - CPA Australia

No comment.

CPAC - Chartered Professional Accountants Canada Public Trust Committee

EFAA - European Federation of Accountants and Auditors for SMEs

FACPCE - Federación Argentina de Consejos Profesionales de Ciencias Económicas

GAA - Global Accounting Alliance

HKICPA - Hong Kong Institute of Certified Public Accountants

ICAEW - Institute of Chartered Accountants in England and Wales

123. ICAEW has no comments from this perspective.

ICAS - The Institute of Chartered Accountants of Scotland

ICPAU - Institute of Certified Public Accountants of Uganda

IDW - Institute der Wirtschaftsprüfer (Germany)

N/A.

IFAC - International Federation of Accountants

We have no further comments.

IICA - Institute of Indonesia Chartered Accountants

INCP - National Institute of Public Accountants of Colombia

IPA - Institute of Public Accountants (Australia)

ISCA - Institute of Singapore Chartered Accountants

IWP - Institut Österreichischer Wirtschaftsprüferinnen

JICPA - Japanese Institute of Certified Public Accountants

(Comment)

Not applicable.

KICPA - Korean Institute of Certified Public Accountants

MIA (Malta) - The Malta Institute of Accountants

MIA-Malaysian - Malaysian Institute of Accountants

We do not foresee difficulties in applying these proposals in the Malaysian environment other than in our comments above.

MICPA - Malaysian Institute of Certified Public Accountants

Comment:

We do not foresee any difficulties at this juncture.

NBA - Royal Netherlands Institute of Chartered Accountants

NYSSCPA - New York State Society of CPAs

PAFA - The Pan-African Federation of Accountants

We have no further comments.

PICPA - Pennsylvania Institute of Certified Public Accountants

SAICA - South African Institute of Chartered Accountants

ANNEXURE B – RESPONSE TO REQUEST FOR GENERAL COMMENTS

SAICA engaged members from different constituencies as part of our working group to collate information in responding to the ED. The working group included members from Small and Medium Sized Entities, Regulatory Boards and Academic, amongst others. The comments included in Annexure A therefore includes the inputs from these constituencies.

It is also important to note that South Africa is a developing nation and as noted in the introduction to this submission, SAICA which is Professional Accountancy Organisation (PAO) in South Africa has adopted the IESBA Code. The comments reflected in Annexure A also reflects those of a developing nation.

SOCPA - Saudi Organization for Chartered and Professional Accountants

WPK - Wirtschaftsprüferkammer (Germany)

n/a

Other Assurance Providers and Accreditation Bodies (non-PAs)

AccountAbility

IAF - International Accreditation Forum

JAB - Japan Accreditation Board

Accounting Firms and Sole Practitioners

Assirevi - Association of Italian Audit Firms

BDO - BDO International Limited

BKTI - Baker Tilly International

DTTL - Deloitte Touch Tohmatsu Limited

EY - Ernst & Young Global Limited

GTIL - Grant Thornton International Limited

KPMG - KPMG IFRG Limited

MAZARS - Mazars Group

We have no comments

MOORE - Moore Global Network Limited

MU - Muhammad Umar - Mo Chartered Accountants

PKF - PKF Global

PP - Pitcher Partners Advisors Proprietary Limited

PwC - PricewaterhouseCoopers International Limited

RSM - RSM International Limited

Academia and Research Institutes

AFAANZ - The Auditing and Assurance Standards Committee of the Accounting and Finance Association of Australia and New Zealand

DIRC - Deakin University Integrated Reporting Centre

NNN - Nada Naufal, Director at the American University of Beirut

NRS - Professor_Nicole_Ratzinger-Sakel

NSU - Nova Southeastern University (Florida)

Others

IBA - The International Bar Association

IIA - The Institute of Internal Auditors

General comments (e) – Translations – Yes

Professional Accounting Organizations (PAOs)

BICA - Botswana Institute of Chartered Accountants

Translations:

Ensuring accurate and accessible translations of the final standards is essential for global adoption and understanding. Feedback on potential translation challenges helps identify areas for improvement to maintain clarity and integrity across languages. Investing in high-quality translations enhances the usability and effectiveness of the standards worldwide, facilitating consistent application and interpretation across linguistic boundaries.

EFAA - European Federation of Accountants and Auditors for SMEs

Translations

A necessary prerequisite for timely and effective adoption and implementation is the availability of high quality translations. To facilitate high quality translations, standards need to be drafted using plain English principles. Furthermore, plain English drafting principles will help improve the understandability of the Code to SMPs.

ICAEW - Institute of Chartered Accountants in England and Wales

124. We consider that there may be value in the IESBA establishing translation libraries for certain key terms, to ensure consistency in the interpretation of the IESSA.

IFAC - International Federation of Accountants

Within our responses, we have raised challenges with some terminology from the audit profession that non-PAs providing assurance may struggle with. This could have an impact on translation too. More generally, we request that the IESBA focus upon avoiding unnecessarily long sentences and implementing concise and easy to understand language, especially as the application of AI translation becomes more prevalent.

We would also recommend that IESBA start looking at developing and maintaining translation libraries. Within these, key terminology that needs to be translated in a particular way for the profession and those outside the profession who will now be using Code could be captured. These will help prioritize certain translations of such terminology and these libraries can be used regardless of whether translation occurs through traditional means or is AI generated. This takes further importance with non-PAs now exposed to wording within the Code and could create efficiencies for translation.

JICPA - Japanese Institute of Certified Public Accountants

(Comment)

We do not have any specific comments on the wording used in the Exposure Draft from the perspective of translation into Japanese.

However, English is not the official language in Japan, thus, it is inevitable to translate the Code from English to Japanese in an understandable manner. For this reason, we pay close attention to the wording used in the Code in respect of whether it is translatable and comprehensible when translated. We therefore request the IESBA to avoid lengthy sentences and to use concise and easily understandable wording.

PAFA - The Pan-African Federation of Accountants

In our responses, we've highlighted challenges with certain terminology commonly used in the audit profession, which may pose difficulties for non-PAs providing assurance and could also complicate translation efforts. Additionally, we urge the IESBA to prioritize clear and concise language to enhance understanding.

We suggest that the IESBA consider establishing and maintaining translation libraries. These libraries would include key terminology that requires specific translation for both the profession and non-professionals now utilizing the Code. Prioritizing translations of such terms within these libraries, whether through traditional methods or AI-generated translation, could streamline the translation process. This becomes particularly important with non-PAs encountering Code terminology and could lead to increased translation efficiency.

Accounting Firms and Sole Practitioners

MAZARS - Mazars Group

Maintaining alignment between the international standards promulgated by the IAASB and IESBA would be helpful regarding translation.

General comments (e) – Translations – No

Regulators and Oversight Authorities, incl. Monitoring Group members

ACRA - Accounting and Corporate Regulatory Authority (Singapore)

BAOA - Botswana Accountancy Oversight Authority

CEAOB - Committee of European Auditing Oversight Bodies

ESMA - European Securities and Market Authority

IAASA - Irish Auditing & Accounting Supervisory Authority

IFIAR - International Forum of Independent Audit Regulators

IOSCO - International Organization of Securities Commissions

IRBA - Independent Regulatory Board for Auditors

NASBA - National Association of State Boards of Accountancy (US)

PAABZ - The Public Accountants and Auditors Board of Zimbabwe

SGX - Singapore Exchange Limited

UKFRC - United Kingdom Financial Reporting Council

Investors and Other Users

Ceres Accelerator

DIR - Daiwa Institute of Research Ltd

IAIP - Indian Association of Investment Professionals (CFA Society India)

MSCI - Morgan Stanley Capital International

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No comments.

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HKICPA - Hong Kong Institute of Certified Public Accountants

ICAS - The Institute of Chartered Accountants of Scotland

ICPAU - Institute of Certified Public Accountants of Uganda

IDW - Institut der Wirtschaftsprüfer (Germany)

We have not yet identified any specific issues.

IICA - Institute of Indonesia Chartered Accountants

INCP - National Institute of Public Accountants of Colombia

IPA - Institute of Public Accountants (Australia)

ISCA - Institute of Singapore Chartered Accountants

IWP - Institut Österreichischer Wirtschaftsprüferinnen

KICPA - Korean Institute of Certified Public Accountants

MIA (Malta) - The Malta Institute of Accountants

MIA-Malaysian - Malaysian Institute of Accountants

Not applicable.

MICPA - Malaysian Institute of Certified Public Accountants

Comment:

This question is not relevant to us.

NBA - Royal Netherlands Institute of Chartered Accountants

NYSSCPA - New York State Society of CPAs

PICPA - Pennsylvania Institute of Certified Public Accountants

SAICA - South African Institute of Chartered Accountants

ANNEXURE B – RESPONSE TO REQUEST FOR GENERAL COMMENTS

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It is also important to note that South Africa is a developing nation and as noted in the introduction to this submission, SAICA which is Professional Accountancy Organisation (PAO) in South Africa has adopted the IESBA Code. The comments reflected in Annexure A also reflects those of a developing nation.

SOCPA - Saudi Organization for Chartered and Professional Accountants

WPK - Wirtschaftsprüferkammer (Germany)

We have no comments.

Other Assurance Providers and Accreditation Bodies (non-PAs)

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