Response ID:137 Data

2. (untitled)

Please indicate if you are responding as an individual or on behalf of your organization?

Responding on behalf of your organization.

Please complete:

(ii) Approximate years of professional experience:

Please provide the following information and other contact information:

Your organization's name, if any (if you are responding on behalf of an organization[2])

Your name and job title / role:

Your email address:

Your jurisdiction/country:

Please provide the following information and other contact information:

Your organization's name, if any (if you are responding on behalf of an organization[2])

JICPA (The Japanese Institute of Certified Public Accountants)

Your name and job title / role:

Tomoko Waku (Executive Board Member - Ethics Standards)

Your email address:

rinri@sec.jicpa.or.jp

Your jurisdiction/country:

Japan

Please indicate the geographical profile which best represents your situation, i.e., from

which geographical perspective are you providing your responses?

Single jurisdiction (Please specify): Japan

Please indicate the stakeholder group to which you belong, i.e., from which perspective are you providing your responses?

Jurisdictional standard setters (JSS) (Please indicate the users of your standards as a JSS, e.g., individual Professional Accountants in Public Practice (PAPPs), professional accountants in business (PAIBs) and/or accounting firms): The users include individual PAPPs, PAIBs and accounting firms.
Professional accountancy organizations (PAOs) (Please indicate whether your members are PAPPs and/or PAIBs): Our members include both PAPPs and PAIBs.

3. (untitled)

Has your jurisdiction adopted the Restructured Code (2018 edition and onwards)? (Please choose the most representative answer)

(b) Yes, through adoption with modifications (Please (i) specify the latest edition of the IESBA Code that has been adopted, e.g., 2018, 2024, etc.; (ii) describe the nature and reasons for the modifications; and (iii) provide links to the local Code or the specific announcement of the adoption or issuance of the local Code): (i) We have adopted the 2024 edition. (ii) The JICPA Code has omitted some provisions due to concerns about potential conflicts with domestic laws and regulations (such as articles regarding the confidentiality obligations under the Certified Public Accountants Act) and other reasons, as well as established provisions specific for Japan, designated with "JP" in their paragraph numbers. (iii) Links to Specific Announcements [LINK] July 30, 2018: Approval of the "Code of Ethics" at General Assembly (Effective date: April 1, 2019) https://jicpa.or.jp/specialized_field/20180730jfa.html [LINK] October 31, 2022: Amendments to the "Code of Ethics" (Effective date: April 1, 2023) https://jicpa.or.jp/specialized_field/20221031dfa.html [LINK] July 24, 2024: Approval of the "Code of Ethics" at General Assembly (Effective date: April 1, 2025)https://jicpa.or.jp/specialized_field/20240724edw.html [LINK] July 31, 2025: Approval of the "Code of Ethics" at General Assembly (Latest Version: Effective date: April 1, 2026) https://jicpa.or.jp/specialized_field/20250731egj.html

If you have answered (a), (b) or (c), was the local Code translated? If yes, please indicate the language in which the local Code was translated.

We have translated the provisions added by JICPA designated with "JP" into English.

4. (untitled)

For JSS, PAOs, Regulators or Oversight Bodies, and Accounting Firms only

What guidance or educational materials has your organization issued, or what programs has your organization developed, to support understanding of how to use the local Code or provisions? (Select all that apply and provide links)

Technical guidance (e.g., FAQs)
Education/training programs (e.g., webinars, CPD programs)

Articles, publications or newsletters (e.g., updates about standards, case studies or illustrative examples)

For individual PAPPs and PAIBs only

What guidance or educational materials have you received or accessed with respect to how to use the local Code or provisions? (Select all that apply)

5. (untitled)

For JSS, PAOs, Regulators or Oversight Bodies, and Accounting Firms only

Does your organization offer guidance to individual professional accountants, accounting firms, or other users on the application of the local Code or provisions if they seek such assistance? (Select all that apply)

Ethics hotline or equivalent (e.g., for technical queries, application questions on how to use the local Code or provisions)

For individual PAPPs and PAIBs

Do you have access to guidance on the application of the local Code or provisions in your jurisdiction if you seek such assistance? (Select all that apply)

6. (untitled)

For JSS, PAOs, Regulators or Oversight Bodies or Accounting Firms

Which inquiries or questions relating to the structure and drafting of the local Code or provisions has your organization commonly received? (Please provide details, including from which stakeholder groups the inquiries or questions arose)

We receive questions about the interpretation of the provisions, but not about their structure or drafting.

For individual PAPPs and PAIBs

Which specific structure or drafting matters pertaining to the local Code or provisions have you inquired or raised questions about? (Please provide details)

7. (untitled)

Is the building-blocks approach of the IESBA Code simple and clear, and does it help in navigating the Code?

Yes
Comments:

Is the "Guide to the IESBA Code" helpful in explaining how the Code is structured and should be applied?

Yes
Comments:

8. (untitled)

Is it clear within each Section that a professional accountant (or firm as appropriate) has the responsibility to comply with the fundamental principles and apply the conceptual framework?

Yes
Comments:

Does the IESBA Code's approach to delineating requirements ("R" paragraphs) from application material ("A" paragraphs) make it clear what a professional accountant's or firm's obligations are?

Yes
Comments:

Is it sufficiently clear that the Code is scalable and proportionate?

Somewhat (Please explain your response)
Comments: Since the IESBA Code is principle-based, professional judgment is required in specific situations. To support this, the provisions should not be added in a detail way; rather, it is desirable to undertake initiatives such as collecting and compiling case studies to provide examples of specific situations in various fields.

If your organization has responsibility to enforce compliance with the provisions of the Restructured Code, has the delineation of requirements and application material helped with enforceability?

Yes
Comments:

9. (untitled)

Is the language used in the Code clear, readable and understandable?

No (Please explain your response and provide examples with reference to specific provisions in the Code which you consider are not clearly drafted)

Comments: In the course of revisions to the JICPA Code in accordance with the IESBA Code, we have asked more than 60 inquiries over the past three years (since 2023) to clarify the meaning of specific terms in the IESBA Code. For example, the term "transfer" in paragraph 114.1 A1 and the term "transmission" in paragraphs 606.3 A2 and 900.13 A5 are both used in the context of sending information (data), but different terms are used. When different terms are used, each jurisdiction would develop the local code on the premise that their meanings differ. However, if the different terms actually refer to the same meaning, there is a risk that each jurisdiction would develop the local code based on the interpretation that differs from the IESBA Code. Therefore, we request the IESBA to use the consistent terminology and provide the detailed explanations when different terminology is used. Consequently, we do not assess that the language used in the IESBA Code is clear, readable, and understandable because there are provisions whose meaning cannot be interpreted clearly for particularly users in non-English-speaking jurisdictions.

Is the language used in the Code easy to translate?

No (Please explain your response and provide examples with reference to specific provisions in the Code which you consider are not easy to translate)

Comments: Please refer to the immediately previous answer.

10. (untitled)

Is an individual PAPP's responsibility in relation to independence clear?

Yes

Comments:

Is a firm's responsibility in relation to independence clear?

Yes

Comments:

Is a network firm's responsibility in relation to independence clear, and is that responsibility clearly distinguished from a firm's responsibility?

Yes

Comments:

11. (untitled)

Other Comments

Are there any other comments relating to the structure and drafting of the IESBA Code that the IESBA should consider as part of this PIR?

In some cases, the IESBA Handbook was amended without any notification when changes were made to the original text of the IESBA Code.
If adoption and implementation were proceeded in each jurisdiction without knowing that such changes were made, this could lead to the gap between the text in the IESBA Code and the text in the jurisdictional Code.
Therefore, please provide us with information whenever changes are to be made to the original text.