Response ID:125 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])

The Royal Netherlands Institute of Chartered Accountants (NBA)

Your name and job title / role:

Kristel Valk - Technical specialist

Your email address:

k.valk@nba.nl

Your jurisdiction/country:

The Netherlands

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): Jurisdictional Standard Setter of The Netherlands

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): individual Professional Accountants in Public Practice (PAPPs), professional accountants in business (PAIBs)
Professional accountancy organizations (PAOs) (Please indicate whether your members are PAPPs and/or PAIBs): PAPPs and PAIBs

3. (untitled)

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

(c) No, the IESBA Code was used as a basis to develop the local Code (or equivalent provisions) which is converged with the IESBA Code (Please (i) specify the latest edition of the IESBA Code that has been used to develop the local Code (or equivalent provisions), e.g., 2018, 2024, etc.; (ii) provide links to the local Code (or equivalent provisions) or the specific announcement of the converged version of the IESBA Code; and (iii) describe the significant differences related to structure and drafting between the local provisions and the Code's provisions): Due to European and Dutch regulations we are not able to adopt the Code. We need to apply the Dutch legislative drafting framework. Hence, the Code has been transposed into national regulations. As a result, there are structural and drafting differences compared to the IESBA Code: - Requirements are principles based incorporated in more overarching provisions (articles), while application material is included in accompanying explanatory notes. - Examples illustrating the application are not embedded in the regulations themselves but are included in separate guidance (e.g., NBA handreikingen). This results in provisions in three areas (ethical, independence and NOCLAR) with accompanying explanatory notes and separate examples. The provisions relating to ethics are included in the Verordening gedrags- en beroepsregels accountants (VGBA): Verordening gedrags- en beroepsregels accountants with accompanying explanatory notes: Toelichting bij de Verordening gedrags- en beroepsregels accountants. This is applicable for all professional accountants, including accountants in business and in public practice. There are examples illustrating the application in NBA Handreiking: NBA-handreiking 1130: Voorbeelden toepassing van de VGBA. The provisions relating to independence are included in the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO): Verordening inzake de onafhankelijkheid van accountants bij assura... with accompanying explanatory notes: Toelichting Verordening inzake onafhankelijkheid accountants bij a.... This is applicable for accountants performing an assurance-engagement, no distinction is made between varies assurance-engagements. There are examples illustrating the application in NBA Handreikingen: NBA-handreiking 1131: Voorbeelden toepassing van de ViO van accountants bij assurance-opdrachten and specific related to group audits: NBA-handreiking 1155: Toepassing ViO bij een groepscontrole. In the Netherlands legislation is layered. As the NOCLAR is an elaboration of the fundamental principles (which are included in the VGBA), the NOCLAR is seen in the Netherlands as 'lower' provisions than the VGBA. The NOCLAR is included in Nadere voorschriften handelwijze accountant bij niet-naleving wet-... with accompanying explanatory notes: Toelichting behorende bij de Nadere voorschriften NOCLAR. Additionally, we have made a 'step-by-step plan' for using the NOCLAR: Stappenplannen NV NOCLAR. Overall, while the structure and drafting differ, the Dutch framework is designed to ensure equivalence with the IESBA Code in substance and outcomes. Every amendment of the code, e.g. 2018 and 2024, is considered and incorporated where relevant.

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.

No, our local code is in Dutch

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)
Other (Please specify): • Technical guidance (e.g., FAQs) See answers on question 12 for links to guidance. In NBA-handreiking we included examples but also made several step-by-step plans (e.g. 'VGBA stappenplan' – which steps to take to make sure you comply with the fundamental principles; 'ViO samenloop dienstverlening' – non-assurance services to an audit client). When there are specific topics relevant at the time we can create an alert: Alerts. This includes guidance on a specific relevant topic, e.g. during COVID-19 pandemic or the war in Ukraïne related to legislations on sanctions. • Education/training programs (e.g., webinars, CPD programs) The standards are incorporated in the theoretical learning program of universities. To become a chartered accountant in the Netherlands there is also a practical part. The standards are also incorporated in the practical part. Additionally for professional accountants, we have created several e-learnings overtime. Terugkijken NBA Helpt-webinars Now related to the fundamental principles: E-learning: Moreel scherp blijven als accountant. Besides our own programs, several service providers create learnings and trainings based on the standards. • Articles, publications or newsletters (e.g., updates about standards, case studies or illustrative examples) DilemmApp: DilemmApp an app that presents short, practice-based ethical dilemmas drawn from real-life professional situations. The app encourages reflection on moral judgement by inviting users to consider how they would act and by showing how others have responded, thereby stimulating discussion and awareness of ethical considerations in daily practice. The moral decision model: Moral Decision-Making Model for Accountants. The interactive PowerPoint provides a further explanation of the model, including its application through several practical cases. Several Publications: Publicaties The NBA publishes a weekly newsletter for professional accountants with topics. • Other (Please specify) Regarding regulation we have a specific committee: 'subcommissie Ethiek' (Subcommissie ethiek) and to advice the board of the NBA regarding ethics the Faculty Ethiek, Cultuur en Gedrag (Faculty Ethiek, Cultuur en Gedrag). We have also created the video-series "Getekend" Over de interviewreeks Getekend which features in-depth interviews with accountants who have faced significant professional and moral dilemmas. The series provides insight into the personal, ethical and professional considerations involved in such situations and highlights the complexity of judgement and decision-making in practice.

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)
Discussion forum (e.g., for sharing knowledge)

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 do not commonly receive questions relating to the structure. We mostly receive questions from accountants working at small entities related to specific situations. E.g. if the measures taken are enough to mitigate a threat.

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?

Somewhat (Please explain your response)
Comments: The 'R' paragraphs make it clear it is a requirement. The "A" paragraphs provide more explanation. This adds value to the code. However, a lot of paragraphs are included in a section and the application is directly included beneath the requirements which makes it somewhat hard to differ or seams also a requirement.

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

No (Please explain your response)
Comments: The Code has several parts with overlapping requirements. The code also includes more and more detailed sections related to specific topics (e.g. tax planning, technology, external expert, sustainability) which are mostly not necessarily new requirements on itself, but an explanation of the conceptual framework and fundamental principles in the case of this specific topic. However on this specific topic it is implemented in the Code of Ethics with new requirements. It is detailed and more rules-bases included in the code. Hence, we emphasize maintaining a principles-based approach. In a rapidly changing environment, overly prescriptive requirements risk becoming outdated too quickly and may encourage a compliance-driven mindset. We encourage to focus on high-quality principles-based standards that support the exercise of professional judgement by accountants and anticipate to adopt/use new developments and technology

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?

N/A as do not enforce the provisions of the Restructured Code
Comments:

9. (untitled)

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

Yes
Comments:

Is the language used in the Code easy to translate?

Somewhat (Please explain your response and provide examples with reference to specific provisions in the Code which you consider may not be easy to translate)
Comments: A lot of wording is dependent on the context. For example 'determine' is translated commonly in Dutch in three different words 'bepalen', 'beslissen' or 'vaststellen'.

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?

We notice a trend that the code becomes increasingly detailed and leaning to rules-based. We also note that the code is leaning more to extending to not only professional accountants but for example also to all sustainability practitioners or specific professions (Role of the CFO). We are restricted to our mandate which is only related to individual professional accountants. We cannot converge the Code in the Dutch provisions outside of our mandate. This also increases the risk of fragmentation. Hence, we emphasize maintaining a principles-based approach. In a rapidly changing environment, overly prescriptive requirements risk becoming outdated too quickly and may encourage a compliance-driven mindset. We encourage to focus on high-quality principles-based standards that support the exercise of professional judgement by accountants and anticipate to adopt/use new developments and technology.