



Tel: +1 212 885 8000
Fax: +1 212 697 1299
@: bdo@bdointernational.com
www.bdo.global

BDO International Limited
Contact:
100 Park Avenue
New York, NY 10017
United States of America

31 October 2019

Mr. Ken Siong
IESBA Senior Technical Director
International Federation of Accountants
529 5th Avenue
New York, New York 10017
USA

Re: *Proposed Revisions to the Code to Promote the Role and Mindset Expected of Professional Accountants*

Dear Mr. Siong,

BDO International Limited¹ (BDO) is pleased to have the opportunity to comment on the International Ethics Standards Board for Accountants' (IESBA or Board) Exposure Draft, *Proposed Revisions to the Code to Promote the Role and Mindset Expected of Professional Accountants*.

BDO summary

We appreciate the opportunity to review and provide comments on the IESBA Exposure Draft. From an overall perspective, we support the information included in the Exposure Draft.

Responses to Specific Questions

Key Considerations Guiding the Establishment of the Work Plan

Role and Values of Professional Accountants

1. Do you support the proposals in Section 100 that explain the role and values of professional accountants as well as the relationship between compliance with the Code and professional accountants acting in the public interest? Are there other relevant matters that should be highlighted in these paragraphs?

We support the edits in paragraph 100.1 A1 as it better explains acting in the public interest. We also support the addition of the section on Fundamental Principles and Conceptual Framework (100.2 A1 - 100.2 A3). We believe this provides an overview before getting into the details.

We do not support the inclusion of paragraph 100.1 A2. We do not believe that the IESBA Code is the appropriate place to promote the value of professional accountants and would recommend deleting this paragraph.

We are not clear on why new paragraph 100.1 A3 is required in the IESBA Code. Currently, in the preface it states that IESBA issues the standards and that IFAC

¹ BDO International Limited is a UK company limited by guarantee. It is the governing entity of the international BDO network of independent member firms ('the BDO network'). Service provision within the BDO network is coordinated by Brussels Worldwide Services BVBA, a limited liability company incorporated in Belgium. Each of BDO International Limited, Brussels Worldwide Services BVBA and the member firms is a separate legal entity and has no liability for another such entity's acts or omissions. Nothing in the arrangements or rules of the BDO network shall constitute or imply an agency relationship or a Partnership between BDO International Limited, Brussels Worldwide Services BVBA and/or the member firms of the BDO network.

establishes separate requirements for its member bodies with respect to the IESBA Code. We would recommend moving this information to the preface.

Determination to Act Appropriately

2. Do you support the inclusion of the concept of determination to act appropriately in difficult situations and its position in Subsection 111?

Yes, we support these changes.

Professional Behavior

3. Do you support the proposal to require a professional accountant to behave in a manner that is consistent with the profession's responsibility to act in the public interest in paragraphs 110.1 A1 (e) and R115.1?

Yes, we support these changes.

Impact of Technology

4. Notwithstanding that the IESBA has a separate Working Group that is exploring the implications of developments in technology, are there any additional matters relating to the impact of technology beyond the proposals in paragraphs 110.1 A1(b)(iii), 113.1 A2 and 120.12 A2 that you consider should be addressed specifically as part of the Role and Mindset project?

There are no additional matters relating to the impact of technology that we believe should be addressed as part of this Role and Mindset project.

Inquiring Mind

5. Do you agree with the concept of an inquiring mind as set out in the proposals in Section 120?

Yes, we agreed with the concept of an inquiring mind as set out in the proposals in Section 120.

Bias

6. Do you support the approach to addressing bias? If so, do you agree with the list of examples of bias set out in paragraph 120.12 A2? Should any examples be omitted or new ones added?

Yes, we support the approach to addressing bias and we agree with the examples.

Organizational Culture

7. Are there any other aspects about organizational culture in addition to the role of leadership that you consider should be addressed in the proposals?

There are no additional aspects about organizational culture that should be addressed in the proposal. We do support that the inclusion of application material adds value to the reader, but we question if the text would be better placed in section 100.2 Ax which is in the 'Complying with the code' section rather than the 'Conceptual framework' section.

We appreciate the opportunity to comment on the Exposure Draft. We hope that our comments and suggestions will be helpful to you in your deliberations and development of future recommendations.

If you have any questions or need further clarification, please feel free to contact me.

Yours sincerely,
BDO International Limited

Chris Smith
Global Head of Audit and Accounting