



To: **HKSA members**  
**All other interested parties**

## **HKSA INVITE COMMENTS ON IFAC EXPOSURE DRAFT OF PROPOSED REVISIONS TO THE CODE OF ETHICS**

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The International Federation of Accountants (IFAC) has issued an exposure draft (ED) “Proposed Revised Code of Ethics for Professional Accountants”.

The IFAC ED proposes to elevate the IFAC Code from a “model code” on which to base national requirements to a more authoritative code which all member bodies must meet as a minimum set of standards. The IFAC Code has been rewritten in a threats and safeguards style consistent with that used in section 8 on “Independence for assurance engagements” issued in November 2001.

The IFAC ED provides expanded guidance for all professional accountants on issues of integrity, objectivity, professional competence, confidentiality and professional behaviour, and also new and in-depth guidance for professional accountants in business by addressing issues such as potential conflicts, preparation and reporting of information, financial interests, inducements, and disclosing information.

The IFAC ED has been posted on the Hong Kong Society of Accountants’ (HKSA) website at: < [http://www.hksa.org.hk/professionaltechnical/ethics/exposedraft/IFAC\\_COE.pdf](http://www.hksa.org.hk/professionaltechnical/ethics/exposedraft/IFAC_COE.pdf) >. The IFAC ED can also be found on-line at the IFAC’s website at: < <http://www.ifac.org/ethics/> >.

Last October the HKSA issued an ED of a proposed HKSA Code of Ethics which is closely modelled on the extant IFAC Code. In view of the substantial changes introduced by the IFAC ED, finalization of the HKSA ED has been postponed. In the meantime, however, the HKSA plans to replace the extant HKSA Professional Ethics Statement 1.203 “Integrity, objectivity and independence” by a new Professional Ethics Statement adopting section 8 of the HKSA ED on “Independence for assurance engagements”, since this section falls outside the scope of the IFAC ED.

The HKSA Ethics Committee invites comments on the IFAC ED, particularly on the specific issues as identified in the “Request for Comments” section on page 6, from any interested party and would like to hear from both those who do agree and those who do not agree with the proposals contained in the IFAC ED. Comments should be supported by specific reasoning and should preferably be submitted in written form.

To allow your comments on the IFAC ED to be considered and included in the HKSA’s submission to the IFAC, they are requested to be received by the HKSA on or before **17 October 2003**. Comments may be sent by mail, fax or e-mail to:

Deputy Director (Ethics & Assurance)  
Hong Kong Society of Accountants  
4<sup>th</sup> Floor, Tower Two, Lippo Centre  
89 Queensway  
Hong Kong

Fax number (+852) 2865 6776  
E-mail: [commentletters@hksa.org.hk](mailto:commentletters@hksa.org.hk)

Comments will be acknowledged and may be made available for public review unless otherwise requested by the contributor.

*(August 2003)*