



15 May 2017

To: Members of the Hong Kong Institute of CPAs
All other interested parties

**INVITATION TO COMMENT ON IFAC'S INTERNATIONAL ETHICS
STANDARDS BOARD FOR ACCOUNTANTS (IESBA)
EXPOSURE DRAFT**

***Proposed Application Material Relating to:
(a) Professional Skepticism – Linkage with Fundamental Principles; and
(b) Professional Judgement – Emphasis on Understanding
Facts and Circumstances***

Comments to be received by 23 June 2017

The Ethics Committee of the Hong Kong Institute of Certified Public Accountants is seeking comments on the IESBA Exposure Draft which have been posted on the Institute's website at:

<http://www.hkicpa.org.hk/en/standards-and-regulations/standards/code-of-ethics/exposure-drafts/>

The proposed guidance for the first time links key concepts in the IESBA *Code of Ethics for Professional Accountants* (the Code) and clarifies their application, namely:

- how compliance with the fundamental principles in the Code supports professional skepticism by auditors and assurance practitioners for audit, review and other assurance engagements; and
- the importance of professional accountants obtaining a sufficient understanding of the facts and circumstances known to them when exercising professional judgement in applying the conceptual framework underpinning the Code.

Once finalised, the guidance will be included in the clarified and restructured Code that the IESBA plans to complete by the end of 2017. Beyond this, the IESBA will continue to explore further issues relating to professional skepticism in close coordination with the International Auditing and Assurance Standards Board and International Accounting Education Standards Board, and in consultation with stakeholders.

The Ethics Committee invites your comments on the proposals by **23 June 2017** to allow your comments to be considered in developing its response to the IESBA. Comments should be supported by specific reasoning and should be submitted in written form.

Comments may be sent by mail, fax or e-mail to:

Standard Setting Department
Hong Kong Institute of Certified Public Accountants
37/F., Wu Chung House
213 Queen's Road East
Hong Kong

Fax number (+852) 2865 6776
E-mail: commentletters@hkicpa.org.hk

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