

IESBA Technical Director
Mr. Ken Siong

By e-mail: kensiong@ethicsboard.org

24 March, 2015

**Re: FSR – danske revisorer comments on the IESBA Exposure Draft,
Proposed Changes to Part C of the Code Addressing Presentation of
Information and Pressure to Breach the Fundamental Principles**

Dear Mr. Siong,

The Ethics Committee of FSR - danske revisorer is pleased to comment on the IESBA Exposure Draft, Proposed Changes to Part C of the Code Addressing Presentation of Information and Pressure to Breach the Fundamental Principles.

In general, we agree with the proposed changes. We have some minor issues to bring forward, cf. the following section on specific comments.

Kind Regards,

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Secretary of the Ethics Committee, FSR - danske revisorer

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Specific comments

Proposed Revised Section 320

1. Is the enhanced guidance on applying the "fair and honest" principle in Section 320 helpful?

No comments.

2. In particular, do respondents support the guidance in paragraph 320.3 addressing the issue of misuse of discretion in a manner that is intended to mislead? If not, please explain why. Are there any other considerations relating to this issue that should be addressed in Section 320?

No comments.

3. Paragraph 320.4 provides guidance as to what PAIBs are expected to do ethically in order to prepare or present fairly and honestly information that does not have to comply with a relevant reporting framework. Is this guidance sufficient? If not, what further guidance could Section 320 usefully provide?

No comments.

4. Do respondents agree that where a PAIB relies on the work of others, the PAIB should be required to take reasonable steps to be satisfied that such work enables the PAIB to comply with the overarching principle in paragraph 320.2?

No comments.

5. Do respondents agree with the guidance proposed in paragraphs 320.6 and 320.7 regarding disassociation with misleading information? Are there other actions that could be specified?

FSR – danske revisorer are a little concerned that a possible action mentioned in this context is to consult with a relevant professional body. In many practical situations, we would have members on "both sides of the table" of a disagreement. This could make it difficult to act in consultations. We would find it good advice to supplement the proposed action with some mitigating text on the possibility of conflicting interests.

Proposed Section 370

1. Do respondents agree with the overarching requirements in paragraphs 370.1 and 370.2?

No comments.

2. Are the illustrative examples of types of pressure that could result in a breach of the fundamental principles in paragraph 370.4 helpful?

No comments.

3. Is it sufficiently clear that Section 370 addresses pressure that could result in a breach of fundamental principles, as opposed to the routine pressures that exist in the workplace? In particular, does paragraph 370.5 provide sufficient guidance to assist the PAIB in making that distinction? If not, what other considerations should the PAIB take into account?

We find it possible to structure the paragraph 370.5 more logically. A starting point could be to decide whether a pressure was of a routine character or a pressure to breach a fundamental principle.

As in the section on Presentation of Information, there should be some mitigating text by consulting a professional body. By undue pressure, it is very likely that there would be members on "both sides of the table" which could imply "troubled waters" in consultations.

4. Do respondents find the guidance in paragraph 370.6 on responding to pressure that would result in a breach of the fundamental principles helpful? Are there other actions that should be considered?

No comments.

5. Are the references to other sections of Part C of the Code, in paragraph 370.9, helpful?

No comments.