



Suruhanjaya Sekuriti
Securities Commission
Malaysia

Reference No: AOB/IESBA/R&RT/2015-001/Structure

29 January 2015

Mr Ken Siong
Technical Director
International Ethics Standards Board for Accountants
529 Fifth Avenue, 6th Floor
New York, NY10017
USA

Dear Sir

**COMMENTS ON IESBA CONSULTATION PAPER
IMPROVING THE STRUCTURE OF THE CODE OF ETHICS FOR PROFESSIONAL
ACCOUNTANTS**

We thank you for the opportunity to comment.

The Audit Oversight Board, Malaysia (AOB) supports the efforts of the International Ethics Standards Board for Accountants (IESBA) to improve the clarity and usability of the *Code of Ethics for Professional Accountants* (the Code) in order to facilitate its adoption, effective implementation and consistent application globally in the public interest.

In this regard, the AOB has no objection to the proposed changes outlined in the consultation paper on improving the structure of the Code. In particular, the AOB is in support of the proposed amendments to clarify responsibility within firms for compliance with the Code, whereby the firm shall be required to establish relevant policies and procedures to assign responsibility to a specific individual rather than relying on a cross reference to International Standard on Quality Control (ISQC) 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*.

However, it is essential to be mindful that care is needed to ensure that the enhanced wording and structure does not inadvertently result in a significant shift in the intention and weight of the existing requirements of the Code.

Audit Oversight Board

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The AOB also welcomes the enhanced accessibility and increased ease of navigation anticipated with the development of a HTML version of the Code. Nonetheless, the AOB is of the view that in order to facilitate application of the Code at any material point in time, prior official versions of the Code should be retained in a form available for download from the website, similar to the website maintained by the International Accounting Standards Board (IASB). This is in consideration of the dynamic nature of the Code which is regularly reviewed to ensure continuous relevance while keeping pace with rapid global developments.

The AOB further recommends the issuance of a Basis for Conclusion document to accompany the final versions of any future amendments to the Code. In this respect, the AOB envisages that sharing the rationale behind the final version of the Code would be instrumental in promoting consistent understanding and application of the Code as it evolves.

Should you require any further clarification, please do not hesitate to contact Lim Fen Nee at +603 2091 0608 or at her email FNlim@seccom.com.my.

Thank you.

Yours sincerely



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