

April 8, 2015

Technical Director  
International Ethics Standards Board for Accountants  
International Federation of Accountants  
529 5<sup>th</sup> Avenue, 6<sup>th</sup> Floor  
New York  
New York 10017  
United States of America

Via Online Submission

Dear Mr Ken Siong

**COMMENTS ON IESBA EXPOSURE DRAFT,  
PROPOSED CHANGES TO PART C OF THE CODE ADDRESSING PRESENTATION  
OF INFORMATION AND PRESSURE TO BREACH THE FUNDAMENTAL PRINCIPLES**

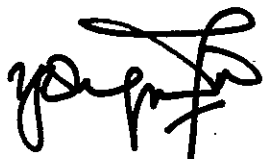
We thank you for the opportunity to comment on IESBA Exposure Draft, *Proposed Changes to Part C of the Code Addressing Presentation of Information and Pressure to Breach the Fundamental Principles*.

In this regard, we are pleased to attach the Institute's comments as set out in Appendix I for your consideration.

Please do not hesitate to contact the undersigned or the Institute's Senior Technical Manager, Ms Hoh Kim Hyan, at +603-2698 9622 should you require any clarification.

Thank you.

Yours faithfully



FOO YOKE PIN (Mr)  
Executive Director

**THE MALAYSIAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS**  
**(INSTITUT AKAUNTAN AWAM BERTAULIAH MALAYSIA)**

**International Ethics Standards Board for Accountants**

**Proposed Changes to Part C of the Code**  
***Addressing Presentation of Information and Pressure to Breach the***  
***Fundamental Principles***

**Questionnaire**

The IESBA welcomes comments on all matters addressed in the exposure draft. Comments are most helpful when they refer to specific paragraphs, include the reasons for the comments, and, where appropriate, make specific suggestions for any proposed changes to wording. When a respondent agrees with proposals in this exposure draft (especially those calling for change in current practice), it will be helpful for the IESBA to be made aware of this view.

***Proposed Revised Section 320***

**Question 1**

Is the enhanced guidance on applying the “fair and honest” principle in Section 320 helpful?

**MICPA’s Comments:**

Yes, the enhanced guidance on applying the “fair and honest” principle in Section 320 is helpful and the Institute is supportive of the Board’s initiative to provide such enhanced guidance.

**Questions 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?

**MICPA’s Comments:**

Yes, MICPA is supportive of the guidance in paragraph 320.3 on the misuse of discretion in a manner that is intended to mislead. This is pertinent particularly with the widespread use of estimates and judgements. The Institute is also of the view that it would be useful to include examples to address assets and liabilities in the statement of financial position in addition to the examples stated with respect to items of income and expense, so as not to suggest that such instances occur only in the latter category

**Questions 3**

Paragraph 320.4 provides guidance as to what professional accountants in business (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?

**MICPA’s Comments:**

MICPA of the view that the guidance in paragraph 320.4 is sufficient.

**Questions 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?

**MICPA's Comments:**

MICPA agrees 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. However, it would be helpful if examples could be provided to guide PAIBs on what constitute "reasonable steps".

**Questions 5**

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

**MICPA's Comments:**

MICPA agrees with the guidance proposed in paragraphs 320.6 and 320.7.

***Proposed Section 370*****Questions 6**

Do respondents agree with the overarching requirements in paragraph 370.1 and 370.2?

**MICPA's Comments:**

MICPA agrees with the overarching requirements in paragraphs 370.1 and 370.2.

**Questions 7**

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

**MICPA's Comments:**

Yes, the illustrative examples of types of pressure that could result in a breach of the fundamental principles in paragraph 370.4 are helpful.

**Questions 8**

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?

**MICPA's Comments:**

MICPA of the view that paragraph 370.5 presently does not make the point about distinguishing between routine pressures and pressures that could result in a breach of fundamental principles. It may be useful to include suitable explanatory material to such effect. .

**Questions 9**

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?

**MICPA's Comments:**

MICPA agrees that the guidance in paragraph 370.6 is helpful.

**Questions 10**

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

**MICPA's Comments:**

Yes, the references to other sections of Part C of the Code, in paragraph 370.9 are helpful.