

December 07, 2017
Ref.: SEC/112/2017 - DN

International Ethical Standards Board for Accountants (**IESBA**)
545 Fifth Avenue, 14th Floor
New York, NY 10017
USA

Dear Sirs,

We, Ibracon – Instituto dos Auditores Independentes do Brasil (Institute of Independent Auditors of Brazil), appreciate the opportunity to comment on the Exposure Draft (ED) **Proposed Revisions to the Code pertaining to the Offering and Accepting of Inducements**, as following:

Proposed Section 250

1. Do respondents support the proposals in Section 250? In particular, do respondents support the proposed guidance to determine whether there is an intent to improperly influence behavior, and how it is articulated in the proposals?

Yes, we support the proposals in Section 250. In addition, we have the following suggestions:

- (a) Trivial and inconsequential – we suggest that the trivial and inconsequential condition be explained and exemplified more clearly, in the same manner as the “with intent to improperly influence behavior” was explained and exemplified, specifically in paragraph 250.9 A1. Without a proper explanation, the conclusion may cause a reasonably informed third party to have different interpretations.
- (b) Immediate or Close Family Members – even though paragraphs 32 and 33 of the Explanatory Memorandum clarify the Accountant responsibilities in relation to the Immediate or Close Family Members and provide clarifications regarding the term “remain alert”, paragraphs 250.12 to 250.14 do not contain all these explanations, and may result in a third party having a different interpretation of the meaning of “remain alert”. Accordingly, we understand that the conditions mentioned in the Explanatory Memorandum should be introduced in the code Sections.

Proposed Section 340

2. Do respondents agree that the proposed provisions relating to inducements for PAPPs should be aligned with the enhanced provisions for PAIBs in proposed Section 250? If so, do respondents agree that the proposals in Section 340 achieve this objective?

Yes, we agree that the proposed provisions in Section 340 should be aligned with Section 250 and the proposals in this Section achieve this objective. The suggestions above are also applicable to Section 340. We, however, note that paragraph 250.15 A3 should refer to Section 340 and not 240 if its intention is to refer to PAIBs.

Proposed Confirming Amendments to Independence Provisions

3. Do respondents support the restructuring changes and proposed conforming amendments in proposed Sections 420 and 906?

Yes, we support the restructuring changes and proposed conforming amendments in proposed Sections 420 and 906.

Diretoria Nacional
Ibracon – Instituto dos Auditores Independentes do Brasil
Tel/Fax: (11) 3372-1223
www.ibracon.com.br
Rua Maestro Cardim, 1170 - 9º andar
CEP 01323-001 - São Paulo/SP

4. Do respondents believe the IESBA should consider a project in the future to achieve further alignment of Sections 402 and 906 with proposed Section 340? If so, please explain why.

Yes. We believe that the analyses of the requirements presented in Section 340, related to receive and provide inducements should also be included in the Sections 420 and 906 in order to address the main concerns about independence in situations of receiving or providing inducements

Best Regards,



Idésio da Silva Coelho Júnior
President



Rogério Hernández Garcia
Technical Director