

March 15, 2016

ICAEW  
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By email: [ethicspolicy@icaew.com](mailto:ethicspolicy@icaew.com)

**CONSULTATION ON GUIDANCE ON ASPECTS OF THE ICAEW CODE OF ETHICS: *PUBLIC INTEREST RESPONSIBILITY OF ACCOUNTANTS; IDENTIFYING AND MANAGING CONFLICTS; AND DETERMINING THE BASIS OF CHARGING FEES***

Dear Sir/Madam,

The International Federation of Accountants (IFAC) values the opportunity to comment on the above Institute of Chartered Accountants in England and Wales (ICAEW) Consultation Paper (CP).

IFAC commends the ICAEW on its efforts to clarify and illuminate the important ethical topics raised in the CP, and in particular the public interest responsibility of accountants. This issue has been subject to much discussion recently. The matters raised and guidance proposed are not only relevant in the United Kingdom, but could serve to inform a useful discourse more widely; and so IFAC agrees with the ICAEW's assertion that the discussion of the public interest outlined in this CP has potential international consequences.

Through its current membership of more than 175 professional accountancy organizations in 130 countries and jurisdictions, IFAC represents almost 3 million accountants in public practice, industry and commerce, government, and education. As such, it aims to provide the perspective of the global accountancy profession. Research shows that the global accountancy profession contributes approximately \$575 billion annually to world GDP.

IFAC is not commenting on all aspects of this consultation, nor is it responding to the questions posed. However, internationally relevant comments are made below.

*Public Interest*

IFAC concurs with the interpretation reached in the CP that individual professional accountants' public interest responsibility as regards ethical behavior is to comply with the spirit as well as the letter of the *Code of Ethics for Professional Accountants* (the Code). However, IFAC acknowledges that contextual and environmental factors, including jurisdictional differences, will impact the manner in which this interpretation is applied.

The wider profession's public interest responsibility is given primacy in the development of the Code. This is reflected in the processes and structures—including public interest oversight—of the International Ethical Standards Board for Accountants (IESBA), and the approach taken to its strategy, planning, and standard-setting work. IFAC's *Policy Position Paper 3, [International Standard Setting in the Public Interest](#)* further elaborates.



Therefore, IFAC agrees with the important clarification made by the ICAEW when it states in paragraph 7 of Chapter 3.1 of the CP that “given that the Code itself is set to take account the profession’s responsibility in respect of public interest, members will discharge their individual public interest responsibility if they comply with the five fundamental principles and other detailed requirements that are in the Code.”

*Global Consistency*

From the perspective of promoting and maintaining global consistency, IFAC is encouraged to note that the ICAEW has not proposed additional requirements, but rather has opted to provide guidance to assist those using the Code to comply with it, while also illuminating challenging areas. This is important in ensuring that, in today’s globalized and inter-connected economy, the ethical codes used by professional accountants in the UK and around the world are—to the extent possible—globally consistent.

Please do not hesitate to contact me should you require further information on any of the matters included in this letter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Faye Choudhury', is written over a light grey rectangular background.

Faye Choudhury  
Chief Executive Officer