

May 18, 2023
Ref.: SEC/030/23 - DN

International Ethical Standards Board for Accountants (IESBA)

545 Fifth Avenue, 14th Floor
New York, NY 10017
USA

Dear Sirs,

We, Ibracon - Instituto de Auditoria Independente do Brasil, appreciate the opportunity to comment on the **Exposure Draft: Proposed Revisions to the Code Addressing Tax Planning and Related Services**.

Request for Specific Comments

Proposed New Sections 380 and 280

1. Do you agree with the IESBA's approach to addressing TP by creating two new Sections 380 and 280 in the Code as described in Section VI of this memorandum?

We believe that it is necessary to have separate requirements for PAIBs and PAPPs since one is related to provide professional services and consequently some concerns might be different from the PAIBs responsibilities in acting to the employers.

Description of Tax Planning and Related Services

2. Do you agree with IESBA's description of TP as detailed in Section VII.A above?

TP might be interpreted broadly depends on the level of knowledge and experience for the third party who is having access to the services being provided. Then, it is important that all possible and detailed description of the actions, activities and attributions for TP would be provided in the Code such as examples of circumstances in order to avoid that the same services provided could be viewed as TP for someone and for others might be viewed as non-TP services

Role of the PA in Acting in the Public Interest

3. Do you agree with IESBA's proposals as explained in Section VII.B above regarding the role of the PA in acting in the public interest in the context of TP?

We agree with the IESBA's proposals in Section VII.B of the Exposure Draft (Role of the professional Accountant in Acting in the Public Interest), given PAs play an essential public interest role in serving employing organizations' or clients' interests in accordance with tax laws and regulations.

Basis for Recommending or Otherwise Advising on a Tax Planning Arrangement

4. Do you agree with the IESBA's proposals regarding the thought process for PAs to determine that there is a credible basis in laws and regulations for recommending or otherwise advising on a TP arrangement to a client or an employing organization, as described in Section VII.E above?

We agree with the IESBA's proposals in Section VII.E of the Exposure Draft (Basis for Recommending or Otherwise Advising on a Tax Planning Arrangement). However, the related paragraphs (R380.11, 380.11 A1, A2 and A3) could have references on the threats as described to the paragraphs 380.17 A1, A2 and A3. A misleading may arise if read separately.

5. Are you aware of any other considerations, including jurisdiction-specific considerations, that may impact the proper application of the proposed provisions?

No. The laws and regulations in each jurisdiction should be observed.

Consideration of the Overall Tax Planning Recommendation or Advice

6. Do you agree with the proposals regarding the stand-back test, as described in Section VII.F above?

We agree with the IESBA's proposals in Section VII.F of the Exposure Draft (Consideration of the Overall Tax Planning Recommendation or Advice). The stand-back test could be correlated to the "third party test", which is already included in the Code.

Describing the Gray Zone and Applying the Conceptual Framework to Navigate the Gray Zone

7. Do you agree with the IESBA's proposals as outlined in Section VII.G above describing the gray zone of uncertainty and its relationship to determining that there is a credible basis for the TP arrangement?

We agree with the IESBA's proposals in Section VII.G of the Exposure Draft (Describing the "Gray Zone" of Uncertainty). Such situations must be discussed with the client/management and, if appropriate, TCWG of the organization.

8. In relation to the application of the CF as outlined in Section VII.H above, is the proposed guidance on:

- (a) The types of threats that might be created in the gray zone;**
- (b) The factors that are relevant in evaluating the level of such threats;**
- (c) The examples of actions that might eliminate threats created by circumstances of uncertainty; and**
- (d) The examples of actions that might be safeguards to address such threats sufficiently clear and appropriate?**

We agree with the proposed guidance on the matters above (Section VII.H Applying the Conceptual Framework to Navigate the Gray Zone and Other Tax Planning Circumstances).

Disagreement with Management

9. Do you agree with the proposals outlined in Section VII.I above which set out the various actions PAs should take in the case of disagreement with the client or with the PA's immediate superior or other responsible individual within the employing organization regarding a TP arrangement?

We agree with the proposals because this is related to the Ethics principles of the Pas; however we believe that, similar to the NOCLAR requirements, the Code could also mention that each jurisdiction should take into consideration whether any legal or contractual protection would be in place and effective that could avoid any potential judicial process to the PAs.

Documentation

10. Do you agree with the IESBA's proposals regarding documentation as outlined in Section VII.J above?

We agree with the IESBA's proposal in this Section.

Tax Planning Products or Arrangements Developed by a Third Party

11. Do you agree with the IESBA's proposals as detailed in Section VII.K above addressing TP products or arrangements developed by a third party provider?

We agree with the IESBA's proposal in this Section.

Multi-jurisdictional Tax Benefit

12. Do you agree with the IESBA's proposals regarding a multi-jurisdiction tax benefit as described in Section VII.L above?

We agree with the IESBA's proposal in this Section.

Proposed Consequential and Conforming Amendments

13. Do you agree with the proposed consequential and conforming amendments to Section 321 as described in Section VII.M above?

No comments.

Request for General Comments

In addition to the request for specific comments above, the IESBA is also seeking comments on the matters set out below:

(a) SMEs and SMPs – The IESBA invites comments regarding any aspect of the proposals from SMEs and SMPs.

No comments.

(b) Tax Authorities – The IESBA invites comments on the proposals from a regulatory perspective from members of the tax regulatory community.

No comments.

- (c) **Developing Nations** – Recognizing that many developing nations have adopted or are in the process of adopting the Code, the IESBA invites respondents from these nations to comment on the proposals, and in particular on any foreseeable difficulties in applying them in their environment.

No comments.

- (d) **Translations** – Recognizing that many respondents may intend to translate the final changes for adoption in their own environments, the IESBA welcomes comment on potential translation issues respondents may note in reviewing the proposals.

No comments.

Best Regards,


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President


Rogério Lopes Mota
Technical Director