

Responses to proposed changes to ILOs under IES 2 Initial Professional Development - Technical Competencies

ILOs	Proposed change
(a) Financial accounting, disclosure and reporting (Intermediate)	<ul style="list-style-type: none"> ▪ Suggest using the term ‘corporate’ before the words ‘disclosure and reporting’ in this TC (as indicated below) to reflect the broader spectrum of disclosures covered here beyond financial disclosures and reports. <i>Financial accounting, and corporate disclosure and reporting</i> ▪ Suggest providing explanatory notes for the entities covered under ‘corporate entities’ and components covered under ‘corporate reporting’.
ILO (i) Apply accounting principles to transactions, facts, and circumstances.	<ul style="list-style-type: none"> ▪ Agree with the proposed change while suggesting to provide explanatory notes to indicate the meaning of the terms ‘facts’ and ‘circumstances’.
ILO (ii) Apply International Financial Reporting Standards (IFRSs) or other relevant standards to transactions, facts, and circumstances.	<ul style="list-style-type: none"> ▪ Suggest including the term ‘framework’ after the other relevant standards and reword this ILO as follows. <i>Apply International Financial Reporting Standards (IFRSs) or other relevant standards and frameworks to transactions, facts, and circumstances.</i> ▪ Suggest removing the term ‘IFRS’ used before the phrase ‘accounting standards’ in the footnote and reword it as follows to capture both IASs and IFRSs. <i>IFRSs include Accounting Standards issued by the International Accounting Standards Board, as well as IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board.</i> ▪ Suggest providing an explanatory footnote for other relevant standards like the footnote given for IFRSs. The other relevant standards may include GRI Standards, SASB Standards, CDSB Framework, International <IR> Framework etc.
ILO (iii) Evaluate the appropriateness of accounting policies used to prepare financial statements.	<ul style="list-style-type: none"> ▪ Agree with the Panel’s view.

<p>ILO (iv) Evaluate the appropriateness of policies used to prepare sustainability disclosures and reports.</p>	<ul style="list-style-type: none"> ▪ Agree with the proposed change.
<p>ILO (v) Prepare financial statements, including consolidated financial statements, and sustainability disclosures, in accordance with IFRSs or other relevant standards.</p>	<ul style="list-style-type: none"> ▪ Suggest including the term ‘reports’ after the phrase ‘sustainability disclosures’ to be consistent with other ILOs and the word ‘framework’ after the phrase ‘other relevant standards.’ ▪ Accordingly, it is proposed to reword this ILO as follows. <i>Prepare financial statements, including consolidated financial statements, and sustainability disclosures and reports, in accordance with IFRSs or other relevant standards and frameworks.</i>
<p>ILO (vi) Interpret financial statements, sustainability disclosures, and other disclosures and reports.</p>	<ul style="list-style-type: none"> ▪ Suggest referring to consolidated financial statements and including the term ‘reports’ after sustainability disclosures to be consistent with other ILOs and reword this ILO as follows. <i>Interpret financial statements including consolidated financial statements, sustainability disclosures and reports, and other related disclosures and reports.</i> ▪ Suggest providing an explanatory note for other related disclosures and reports. The other related disclosures may include operating and financial review (OFR), corporate governance statement, directors’ remuneration report, climate report, modern slavery statement etc.
<p>ILO (vii) Interpret reports that include non-financial data and information.</p>	<ul style="list-style-type: none"> ▪ Suggest revising this ILO as follows to give emphasis on sustainability disclosures and reports: <i>Interpret financial statements, sustainability disclosures and reports, and other non-financial data and information.</i>
<p>(b) Management accounting (Intermediate)</p>	
<p>ILO (i) Prepare data and information to support management decision making on topics including setting metrics and targets, planning and budgeting, cost management, quality control, performance measurement, and comparative analysis.</p>	<ul style="list-style-type: none"> ▪ Suggest replacing the term 'prepare' with 'provide'. ▪ Suggest to adding an explanatory note or a definition (e.g., in glossary) for 'management decision making' as it can be defined broadly or narrowly in management accounting.

	<ul style="list-style-type: none"> ▪ Agree to keep 'setting metrics and targets' while providing a broader definition of 'metrics' in the glossary. ▪ Suggest deleting 'quality' in 'quality control' as management accounting data and information can be used for a variety of control purposes, not only for quality controls. Accordingly, we suggest presenting this ILO as follows. <i>Provide data and information to support management decision making on topics including setting metrics and targets, planning and budgeting, cost management, controls, performance measurement, and comparative analysis.</i>
ILO (ii) Apply appropriate technology and techniques to support management decision making, including product costing, variance analysis, inventory management, budgeting and forecasting, and value chain analysis.	<ul style="list-style-type: none"> ▪ Suggest aligning the references to 'management decision making' with what was stated earlier in ILO (i). For instance, as per this ILO, the use of technology is not highlighted for 'performance measurement.' Therefore, ensure the use of technology for the full spectrum of management decision making is consistently highlighted in ILO (i) above. ▪ Suggest adding 'value chain' in the ILO (i) to be consistent with 'value chain analysis' included in this ILO.
ILO (iii) Apply appropriate quantitative techniques to analyze cost behavior and the drivers of costs.	<ul style="list-style-type: none"> ▪ Suggest adding 'and qualitative' or deleting 'quantitative' as cost analysis techniques could involve both.
ILO (iv) Analyze data and information to consider alternatives and enable management to make informed decisions making.	<ul style="list-style-type: none"> ▪ Agree with the proposed change
ILO (v) Evaluate the performance of an organization and its business segments, products, and services against metrics and targets.	<ul style="list-style-type: none"> ▪ Suggest adding 'value chain performance' as this ILO is primarily concentrated on the internal aspects of an organization because value chain analysis is a necessity in sustainability. ▪ Accordingly, the revised version for this ILO is suggested as follows. <i>Evaluate the performance of an organization, business segments, products, and services, and value chain performance against metrics and targets.</i>
(c) Finance and financial management (Intermediate)	
ILO (i) Compare the various sources of financing available to an organization,	<ul style="list-style-type: none"> ▪ Suggest rewording this ILO as follows.

<p>including bank financing, financial instruments, and bond, equity and treasury markets.</p>	<p><i>Compare the various sources of financing available to an organization, in the form of equity and debt financing, including compound instruments and derivatives.</i></p>
<p>ILO (ii) Analyze the current and anticipated financial performance and position of an organization, using techniques including ratio analysis, trend analysis, and cash flow analysis, and scenario analysis.</p>	<ul style="list-style-type: none"> ▪ Suggest adding 'non-financial' and 'horizontal and vertical analysis' while deleting 'trend analysis and cashflow analysis.' ▪ Accordingly, the revised version for this ILO is suggested as follows. <i>Analyze the current and anticipated financial and non-financial performance and position of an organization, using techniques including ratio analysis, horizontal and vertical analysis, and scenario analysis.</i> ▪ Also suggest adding a definition for the term 'current,' to indicate whether it includes past information as well. ▪ Further, suggest adding a definition for the term 'anticipated' – i.e., whether this term should include short-, medium- and long-term time horizons and guidance on how to define, these time horizons.
<p>ILO (iii) Analyze the current and anticipated financial performance and position of an organization, using techniques including ratio analysis, trend analysis, cash flow analysis, and scenario analysis.</p>	<ul style="list-style-type: none"> ▪ Agree with the proposed change
<p>ILO (iv) Evaluate the appropriateness of the components used to calculate an organization's cost of capital.</p>	<ul style="list-style-type: none"> ▪ Agree with the Panel's view
<p>ILO (v) Evaluate capital investment decisions, using capital budgeting techniques and consideration of strategic factors</p>	<ul style="list-style-type: none"> ▪ Suggest adding 'non-financial factors' as the inclusion of 'strategic factors' may not fully capture the sustainability consideration in capital budgeting. ▪ Accordingly, it is suggested to revise this ILO as follows. <i>Evaluate capital investment decisions, using capital budgeting techniques and consideration of strategic and non-financial factors</i>
<p>ILO (vi) Explain income, asset-based, and market valuation approaches used for investment decisions, business planning, and long-term financial management.</p>	<ul style="list-style-type: none"> ▪ Suggest adding the term '-based' for income and market valuation methods to make it clearer.

(d) Taxation (Intermediate)	
ILO (i) Explain national taxation compliance and filing requirements.	<ul style="list-style-type: none"> ▪ Suggest making <u>one</u> of the following amendments to this ILO. <ul style="list-style-type: none"> ○ Provide an explanatory note to indicate that national taxation compliance captures tax incentives and disincentives relevant to sustainability dimensions. These incentives and disincentives include Tax Credits and Incentives, Carbon Taxes and Emissions Trading, Waste Management Fees, Land Use Taxes and Renewable Energy Incentives. ○ Expand this ILO to reflect the above-mentioned areas. ○ Include a separate ILO to capture the tax incentives and disincentives relevant to sustainability dimensions.
ILO (ii) Prepare direct and indirect tax calculations for individuals and organizations.	<ul style="list-style-type: none"> ▪ Agree with the Panel’s view.
ILO (iii) Analyze the taxation issues associated with non- complex international transactions.	<ul style="list-style-type: none"> ▪ Agree with the Panel’s view.
ILO (iv) Explain the differences between tax planning, tax avoidance, and tax evasion.	<ul style="list-style-type: none"> ▪ Suggest either including an explanatory note as to the applicability of tax planning, tax avoidance and tax evasion as to sustainability dimensions or expanding this ILO to reflect the applicability of these aspects to sustainability.
(e) Audit (Intermediate)	
ILOs (i) Describe the elements, objectives, and phases involved in performing an audit of financial statements.	<ul style="list-style-type: none"> ▪ Agree with the inclusion of ‘Assurance’ as a separate TC.
ILO (ii) Apply International Standards on Auditing (ISAs) or other relevant auditing standards, laws, and regulations applicable to an audit of financial statements.	<ul style="list-style-type: none"> ▪ Agree with the proposed change.
ILO (iii) Assess the risks of material misstatement in the financial statements and consider the impact on the audit strategy.	<ul style="list-style-type: none"> ▪ Agree with the proposed change.
ILO (iv) Apply quantitative methods and appropriate automated tools and techniques used in audit engagements.	<ul style="list-style-type: none"> ▪ Agree with the Panel’s view.
ILO (v) Apply quantitative methods and appropriate automated tools and techniques used in audit engagements.	<ul style="list-style-type: none"> ▪ Agree with the proposed change.
ILO (v) Identify relevant audit evidence, including contradictory evidence, to form judgments, and reach informed conclusions.	<ul style="list-style-type: none"> ▪ Agree with the proposed change.
ILO (vi) Conclude whether sufficient and appropriate audit evidence has been obtained.	<ul style="list-style-type: none"> ▪ Agree with the proposed change.
Removal of ILO (vii)	<ul style="list-style-type: none"> ▪ Agree with the Panel’s view.
	<ul style="list-style-type: none"> ▪ Agree with the proposed change.

(f) Assurance (Foundation)	
ILO (i) Describe the elements, objectives, and phases involved in performing assurance engagements, including assurance of sustainability information.	<ul style="list-style-type: none"> Agree with the proposed change.
ILO (ii) Explain international standards on assurance or other relevant assurance standards, laws, and regulations, including those applicable to assurance of sustainability information.	<ul style="list-style-type: none"> Agree with the proposed change.
ILO (iii) Describe the risks of material misstatement and consider the impact on an assurance engagement.	<ul style="list-style-type: none"> Suggest changing this ILO as follows to be consistent with the other ILOs. <i>Describe the risks of material misstatement and consider the impact on an assurance engagement including sustainability assurance.</i>
ILO (iv) Identify relevant assurance evidence, including contradictory evidence, to form judgments, and reach informed conclusions.	<ul style="list-style-type: none"> Agree with the proposed change.
	<ul style="list-style-type: none"> Suggest providing a separate ILO as indicated below to reflect the ability to apply the methods and techniques used in the sustainability assurance engagement like the ILO (iv) under audit. <i>Apply appropriate methods and techniques in assurance engagements including sustainability assurance.</i>
(g) Governance, risk management, and internal control (Intermediate)	
ILO (i) Explain the principles of good governance, including the rights and responsibilities of owners, investors, and those charged with governance; and the role of stakeholders in governance, disclosure, and transparency requirements.	<ul style="list-style-type: none"> Suggest expanding this ILO to include ‘sustainability and resilience’ as a principle of good governance because it is an essential requirement in corporate governance. International corporate governance frameworks too recognise this as a separate principle- e.g. OECD revised principles on corporate governance (2023). Accordingly, it is suggested rewording this ILO as follows. <i>Explain the principles of good governance including sustainability and resilience, the rights and responsibilities of owners, investors, and those charged with governance, and the role of stakeholders in governance disclosure, and transparency requirements.</i>
ILO (ii) Analyze the components of an organization’s governance framework.	<ul style="list-style-type: none"> Suggest expanding this ILO to reflect the presence of mechanisms to focus

	on sustainability within an organisation's governance framework.
ILO (iii) Analyze an organization's risks and opportunities using a risk management framework.	<ul style="list-style-type: none"> ▪ Suggest distinguishing risks and opportunities as financial and sustainability in this ILO as shown below. <p><i>Analyze an organization's financial and sustainability risks and opportunities using a risk management framework.</i></p>
ILO (iv) Analyze the components of internal control related to external reporting.	<ul style="list-style-type: none"> ▪ Agree with the proposed change.
ILO (v) Analyze the adequacy of systems, processes and controls for collecting, generating, storing, accessing, using, sharing, or reporting data and information.	<ul style="list-style-type: none"> ▪ Agree with the proposed change.
(h) Business laws and regulations (Intermediate)	
ILO (i) Explain the laws and regulations that govern the different forms of legal entities.	<ul style="list-style-type: none"> ▪ Suggest revising this ILO to reflect the presence of laws and regulations that govern sustainability dimensions as indicated below. <p><i>Explain the laws and regulations including sustainability-related dimensions that govern the different forms of legal entities.</i></p>
ILO (ii) Explain the laws and regulations applicable to the environment in which professional accountants operate.	<ul style="list-style-type: none"> ▪ Suggest changing the term 'environment' to 'context' as environment is an essential component of sustainability.
ILO (iii) Apply data protection and privacy regulations when collecting, generating, storing, accessing, using, sharing, or reporting data and information.	<ul style="list-style-type: none"> ▪ Agree with the proposed change.
(i) Information and communications Technology (Intermediate)	
ILO (i) Explain the impact of Information and Communications Technologies (ICT) developments on an organization's environment and business model.	<ul style="list-style-type: none"> ▪ Suggest defining the terms 'ICT' and 'business model.'
ILO (ii) Explain how ICT supports data analysis and decision making.	<ul style="list-style-type: none"> ▪ Agree with the Panel's view.
ILO (iii) Explain how ICT supports the identification, reporting, and management of risk in an organization.	<ul style="list-style-type: none"> ▪ Agree with the Panel's view.
ILO (iv) Use ICT to analyze data and information.	<ul style="list-style-type: none"> ▪ Agree with the Panel's view.
ILO (v) Use ICT to enhance the efficiency and effectiveness of communication.	<ul style="list-style-type: none"> ▪ Agree with the Panel's view.

ILO (vi) Apply ICT to enhance the efficiency and effectiveness of an organization's systems.	<ul style="list-style-type: none"> ▪ Agree with the Panel's view.
ILO (vii) Analyze the adequacy of ICT processes and controls.	<ul style="list-style-type: none"> ▪ Agree with the Panel's view.
ILO (viii) Identify improvements to ICT processes and controls.	<ul style="list-style-type: none"> ▪ Agree with the Panel's view.
(j) Business and organizational Environment (Intermediate)	
ILO (i) Describe the context in which an organization operates, including the primary political, economic, sociocultural, technological, environmental, legal, and regulatory aspects.	<ul style="list-style-type: none"> ▪ Suggest deleting 'regulatory' to retain the widely accepted 'PESTEL' model that includes the regulatory aspect in its legal perspective.
ILO (ii) Describe an organization's business model, including its value chain.	<ul style="list-style-type: none"> ▪ Agree with the inclusion of this new ILO.
ILO (iii) Analyze aspects of the global environment that affect international trade and finance.	<ul style="list-style-type: none"> ▪ Agree with the Panel's view.
ILO (iv) Identify the features of globalization, including the role of multinationals and emerging markets.	<ul style="list-style-type: none"> ▪ Agree with the Panel's view.
(k) Economics (Foundation)	
ILO (i) Describe the fundamental principles of microeconomics and macroeconomics.	<ul style="list-style-type: none"> ▪ Agree with the Panel's view.
ILO (ii) Describe the effect of changes in macroeconomic indicators on business activity.	<ul style="list-style-type: none"> ▪ Suggest replacing the term 'business activity' with 'business performance' to encapsulate economic, environmental, social, and governance aspects. If necessary, an explanation note or a definition of 'business performance' can be added to reflect this meaning. It is also suggested to use the term 'factors' instead of the term 'indicators' as it gives a better reflection of the macroeconomic implications emphasised in this ILO. ▪ Accordingly, suggest rewording this ILO as follows. <i>Describe the effect of changes in macroeconomic factors on business performance.</i>
ILO (iii) Explain the different types of market structures, including perfect competition, monopolistic competition, monopoly, and oligopoly.	<ul style="list-style-type: none"> ▪ Agree with the Panel's view.
(l) Business strategy and management (Intermediate)	
ILO (i) Explain the various ways that organizations may be designed and structured.	<ul style="list-style-type: none"> ▪ Agree with the Panel's view.

<p>ILO (ii) Explain the purpose and importance of different types of functional and operational areas within organizations.</p>	<ul style="list-style-type: none"> ▪ Agree with the Panel’s view.
<p>ILO (iii) Analyze the external and internal factors that affect the business model, value chain, and the strategy of an organization using a systems-thinking approach.</p>	<ul style="list-style-type: none"> ▪ Suggest adding an explanatory note or a definition of ‘systems-thinking approach.’
<p>ILO (iv) Explain the processes that may be used to develop and implement the strategy of an organization.</p>	<ul style="list-style-type: none"> ▪ Suggest including the ‘control’ aspects of the strategy of an organization as follows in this ILO. <i>Explain the processes that may be used to develop, implement and control the strategy of an organization.</i>
<p>ILO (v) Explain how theories of organizational behavior may be used to enhance the performance of the individual, team, and the organization.</p>	<ul style="list-style-type: none"> ▪ This ILO covers organizational performance from economic, social, environmental, and governance perspectives if a definition of ‘organizational performance’ is provided in (k) Economics (ii) as suggested above. ▪ Suggest using the term ‘could’ instead of ‘may’ in this ILO.

Responses to proposed changes to ILOs under IES 3 Initial Professional Development – Professional Skills

ILOs	Proposed change
Intellectual (Intermediate)	
<p>ILO (i) Evaluate data and information from a variety of sources and perspectives through research, collaboration, integration, and analysis.</p>	<ul style="list-style-type: none"> ▪ Agree with the proposed change. However, we are uncertain whether the term ‘analysis’ includes synthesizing analyzed information to create a holistic understanding of the data and information. ▪ Hence, we suggest considering the inclusion of ‘synthesis’ and revise this ILO as follows. <i>Evaluate data and information from a variety of sources and perspectives through research, collaboration, integration, analysis and synthesis.</i>
<p>ILO (ii) Identify when it is appropriate to consult with specialists.</p>	<ul style="list-style-type: none"> ▪ Agree with the Panel’s view to move this ILO as ILO (ii). However, suggest using the term ‘experts’ instead of ‘specialists’ in this ILO. ▪ Also suggest providing an explanation for the term ‘experts/specialists’ whether it means both internal and external parties.
<p>ILO (iii) Apply critical thinking skills to solve problems, form judgments, and reach informed conclusions.</p>	<ul style="list-style-type: none"> ▪ Agree with the proposed change.
<p>ILO (iv) Recommend solutions to unstructured, multifaceted problems.</p>	<ul style="list-style-type: none"> ▪ Agree with the Panel’s view.
<p>ILO (v) Evaluate changing facts and circumstances to solve problems, form judgments, and reach informed conclusions.</p>	<ul style="list-style-type: none"> ▪ Agree with the proposed change.
(b) Interpersonal and communication (Intermediate)	
<p>ILO (i) Demonstrate effective communication, collaboration, and cooperation when working within multi-disciplinary teams.</p>	<ul style="list-style-type: none"> ▪ Agree with the proposed change. However, we think the ‘multi-disciplinary teams’ is still focused internally within the organization. ▪ Hence, we suggest also adding ‘diverse stakeholders’ to highlight the importance of communicating, collaborating and cooperating with external parties outside the organization. Accordingly, we propose to revise this ILO as follows. <i>Demonstrate effective communication, collaboration, and cooperation when</i>

	<i>working within multi-disciplinary teams and diverse stakeholder groups.</i>
ILOs (ii) Develop clear and concise communications for specific audiences.	<ul style="list-style-type: none"> Agree with the proposed change.
ILO (iii) Apply key concepts of diversity, equity and inclusion in communication, considering and respecting language and contextual differences.	<ul style="list-style-type: none"> Agree with the proposed change. However, suggest improving the clarity of ILO (iii).
ILO (iv) Apply active listening and effective questioning techniques.	<ul style="list-style-type: none"> Agree with the proposed change.
Removal of original ILO (v)	<ul style="list-style-type: none"> Suggest keeping the original ILO (v). We believe that the ‘application of negotiation skills’ is not too advanced for new professional accountants, as it is a fundamental skill required for any accountant irrespective of their seniority.
ILO (v) Apply consultative skills to minimize or resolve conflict, solve problems, and maximize opportunities.	<ul style="list-style-type: none"> Agree with the Panel’s view.
ILO (vi) Present informed views and ideas to influence others to provide support and commitment.	<ul style="list-style-type: none"> Agree with the proposed change.
(c) Personal (Intermediate)	
ILO (i) Demonstrate a commitment to lifelong learning.	<ul style="list-style-type: none"> Agree with the Panel’s view.
ILO (ii) Set high personal standards of performance and monitor through reflective activity and feedback from others.	<ul style="list-style-type: none"> Agree with the Panel’s view.
ILO (iii) Manage time and resources to achieve professional commitments.	<ul style="list-style-type: none"> Agree with the Panel’s view.
ILO (iv) Anticipate challenges and plan potential solutions.	<ul style="list-style-type: none"> Agree with the Panel’s view.
ILO (v) Apply intellectual curiosity to emerging ideas and practices	<ul style="list-style-type: none"> We broadly agree with the revised changes. However, we believe that ‘learning to learn’ is a skill that new professional accountants should develop in the fast-changing business environment. Also, we suggest ‘develop’ is a better action verb for ‘intellectual curiosity.’ Hence, it is suggested to revise this ILO as follows. <i>Develop intellectual curiosity and learning to learn skills for emerging ideas and practices</i>
ILO (vi) Identify the potential impact of personal and organizational bias.	<ul style="list-style-type: none"> Agree with the Panel’s view.

(d) Organizational (Intermediate)	
ILO (i) Undertake assignments in accordance with established practices to meet prescribed deadlines.	<ul style="list-style-type: none"> ▪ Agree with the Panel’s view.
ILO (ii) Review own work and that of others to determine whether it complies with the organization’s quality standards.	<ul style="list-style-type: none"> ▪ Agree with the Panel’s view. However, suggest adding the term ‘professional’ after the term ‘quality.’ Accordingly, this ILO can be reworded as follows. <i>Review own work and that of others to determine whether it complies with the organization’s quality and professional standards.</i>
ILO (iii) Apply people management skills to motivate and develop others.	<ul style="list-style-type: none"> ▪ Agree with the Panel’s view.
ILO (iv) Apply delegation skills to deliver assignments.	<ul style="list-style-type: none"> ▪ Agree with the Panel’s view.
ILO (v) Apply leadership skills to influence others to work towards organizational goals.	<ul style="list-style-type: none"> ▪ Agree with the Panel’s view. However, we propose to expand the ILO (v) to capture the contribution to sustainable development. ▪ Accordingly, the ILO (v) can be restated as follows. <i>Apply leadership skills to influence others to work towards organizational goals and contribute to sustainable development.</i>

Responses to proposed changes to ILOs under IES 4 Initial Professional Development - Professional Values, Ethics, and Attitudes

ILOs	Proposed change
(a) Professional scepticism and professional judgment (Intermediate)	
ILO (i) Apply an inquiring mind when collecting and assessing data and information from a variety of sources and perspectives.	<ul style="list-style-type: none"> ▪ Suggest providing an explanatory note for the term ‘perspectives’ considering its wide coverage.
ILO (ii) Apply techniques to reduce bias when solving problems, forming judgments, reaching informed conclusions, and communicating with stakeholders.	<ul style="list-style-type: none"> ▪ Suggest providing an explanatory note to indicate the possible biasness in communicating with stakeholders in various forms of internal and external reporting. These could include earnings management, window dressing of financial statements, greenwashing, in sustainability reporting, budget slacking, and empire building.
ILO (iii) Apply critical thinking when identifying and evaluating alternatives to determine an appropriate course of action.	<ul style="list-style-type: none"> ▪ Agree with the Panel’s view. However, this ILO can state ‘critical thinking skills’ instead of ‘critical thinking’ to maintain consistency with IES 3 (a) ILO (iii).
(b) Ethical principles (Intermediate)	
ILO (i) Explain the importance of relevant ethical requirements to all professional activities.	<ul style="list-style-type: none"> ▪ Suggest providing an explanatory note to elaborate the different types of professional activities undertaken by new professional accountants.
ILO (ii) Apply relevant ethical requirements to all professional activities.	<ul style="list-style-type: none"> ▪ Agree with the proposed change.
Removal of original ILO (ii)	<ul style="list-style-type: none"> ▪ Agree with the Panel’s view.
ILO (iii) Identify threats to compliance with the fundamental principles of ethics.	<ul style="list-style-type: none"> ▪ Agree with the Panel’s view.
ILO (iv) Evaluate the significance of threats to compliance with the fundamental principles of ethics and respond appropriately.	<ul style="list-style-type: none"> ▪ Suggest adding the phrase ‘in all professional activities’ to this ILO to be consistent with other ILOs in this standard.’ ▪ Accordingly, this ILO can be reworded as follows: <i>Evaluate the significance of threats to compliance with the fundamental principles of ethics in all professional activities and respond appropriately.</i>
ILO (v) Apply fundamental principles of ethics when collecting, generating, storing, accessing, using, sharing, or reporting data and information.	<ul style="list-style-type: none"> ▪ Agree with the proposed change.
Removal of original ILO (vi)	<ul style="list-style-type: none"> ▪ Agree with the Panel’s view to remove the ILO and replace with ILO (iv). Please refer to our response to ILO (iv) above.

(c) Commitment to the public interest (Intermediate)	
ILO (i) Explain the role and importance of ethics within the profession and in relation to the concept of social responsibility.	<ul style="list-style-type: none"> ▪ Suggest rewording this ILO as follows to emphasise the role of ethics in sustainable development: <i>Explain the role and importance of ethics within the profession and in relation to social responsibility and sustainable development.</i>
ILO (ii) Explain the role and importance of ethics in relation to business and good governance.	<ul style="list-style-type: none"> ▪ Suggest rewording this ILO as follows to emphasise the role of ethics in sustainable development: <i>Explain the role and importance of ethics in relation to business, good governance and sustainable development.</i>
ILO (iii) Analyze the interrelationship of ethics and law, including the relationship between laws, regulations, and the public interest.	<ul style="list-style-type: none"> ▪ Agree with the Panel's view.
ILOs (iv) Analyze the consequences of unethical behavior to the individual, the profession, and the public.	<ul style="list-style-type: none"> ▪ Agree with the Panel's view.