

Promoting the Role and Mindset Expected of Professional Accountants Comments on ED Question 3 (Professional Behavior)

ED Question 3:

Do you support the proposal to require a professional accountant to behave in a manner that is consistent with the profession's responsibility to act in the public interest in paragraphs 110.1 A1 (e) and R115.1?

The respondents' responses are divided into four groups:

1. Support with minor amendments
2. Support with more substantive amendments
3. Does not support
4. No comment

1. Support with Minor Amendments

01 Abu Dhabi Accountability Authority

Yes, we support this proposal.

02 Accounting and Audit Board of Ethiopia

Yes

03 Basel Committee on Banking Supervision

The Committee agrees with the IESBA's proposals in the ED, in particular the proposal to require a professional accountant to behave in a manner that is consistent with the profession's responsibility to act in the public interest and the concept of an inquiring mind.

04 Independent Regulatory Board for Auditors

Yes, we support the proposed amendments.

06 United Kingdom Financial Reporting Council

Yes.

08 The New Zealand Auditing and Assurance Standards Board

Yes. We support these paragraphs.

09 Baker Tilly International

We support the proposals in 110.1 A1 and R115.1 relating to professional behavior. We note, however, that this expands the definition of "Professional Behavior" from that used in the widest sense to reflect Professional Accountant's responsibility to act in the public interest which does not apply to all professions.

10 BDO International Limited

Yes, we support these changes.

11 Crowe Global

We agree with this proposal. All persons holding the designation of "professional accountant" have a

responsibility to act in the public interest.

13 Ernst Young Global Limited

Yes, we support the proposal to require a professional accountant to behave in a manner that is consistent with the profession's responsibility to act in the public interest. We believe the

proposed revisions in Section 100 will facilitate a clearer understanding by professional accountants of how compliance with the fundamental principles of the Code will facilitate their ability to meet their responsibilities to act in the public interest.

14 Grant Thornton International Limited

GTIL supports the proposal to require a professional accountant to behave in a manner that is consistent with the profession's responsibility to act in the public interest in paragraphs 110.1

A.1 (e) and R115.1. Acting in the public interest has always been an inherent responsibility and a distinguishing mark of the accounting profession, so including it specifically within one of the fundamental principles is supported.

16 Moore Global

We also support the inclusion of acting in the public interest, however, have the below comment on the specific wording. 110.1 (e) – the addition of "Behave in a manner that is consistent with the profession's responsibility to act in the public interest" is very broad considering the variety of service lines professional accountants provide outside of assurance services. It is important that this is defined, or guidance is provided, to ensure that the requirements are clear.

In many published regulatory cases involving ethics it is clear that there can be a tipping point where the professional accountant may have unwittingly "crossed a line" that quickly snowballs. It may be worth reinforcing the need to remain mindful of the services/actions being requested over time by clients/employers to consider how an informed third party might view those services, and their cumulative effect, on ethical compliance.

17 PricewaterhouseCoopers International Limited

Yes, we support the proposal.

We note, however, that the material in both R112.1 and R115.1 repeats the definition of the respective fundamental principle and we wonder if this is strictly necessary.

18 RSM International

Yes, we agree with the Board's expectation that professional accountants should behave in a manner that is consistent with their professional responsibility to act in the public interest when performing any professional services. We therefore support the proposal to introduce the concept as a requirement in R115.1 which highlights the importance of the profession's responsibility to act in the public interest.

However, professional accountants perform a wide variety of professional services which may not always result in deliverables which are available to the public. What does the requirement in R115.1 mean for a professional accountant if the deliverables from his/her professional service is only for internal use? Therefore, we encourage the Board to provide additional guidance to make sure that this requirement can be applied more broadly.

19 U.S. Government Accountability Office

We support the proposal to require a professional accountant to behave in a manner that is consistent with the profession's responsibility to act in the public interest in paragraphs 110.1 A1 (e) and R115.1.

22 Botswana Institute of Chartered Accountants

We agree with the proposal as it continues to support emphasis on public interest.

27 Federación Argentina de Consejos Profesionales de Ciencias Económicas

We support that the professional act with professional responsibility oriented to the benefit of the public interest, with the prevention of comply the objective of his engagement as we stated in the answer to question number 1.

28 FAR

FAR has nothing against this addition and finds that it should be enough to further clarify the professional accountant's responsibility to act in the public interest without the proposed additions to Section 100.

29 Hong Kong Institute of Certified Public Accountants

We agree with the proposal. Given professional accountants' wide-ranging role in society, the proposal is consistent with public's expectation on the profession's responsibility to act in the public interest, and has reinforced the values and mindset expected of professional accountants.

However, some local stakeholders have expressed concern that there may be circumstances where professional accountants may be challenged on the basis of "non-compliance" with the expected role as set out in proposed paragraph 100.1 A2 and have unintended consequences.

33 Institute of Certified Public Accountants of Uganda

ICPAU supports the proposal for professional accountants to behave in a manner that is consistent with the profession's responsibility to act in the public interest because this will enhance public trust in the accountancy profession. Emphasis of acting in public interest will result in good quality work being performed by professional accountants at all times.

34 Institute of Chartered Accountants Of India

We agree with the same.

38 Institute of Singapore Chartered Accountants

The fundamental principle of "professional behavior" requires a professional accountant to comply with relevant laws and regulations and avoid any conduct that the accountant knows or should know might discredit the profession.

The ED proposes to strengthen the description of "professional behavior" by including a requirement that professional accountants behave in a manner that is consistent with their responsibility to act in the public interest. This requirement echoes the proposed text in Section 100.

As commented under Question 1, we agree and support the above. Given the interplay between ethical requirements and public interest, we also wish to re-iterate our recommendation that IESBA prioritize the development of a 'public interest' framework for the accountancy profession. We believe that having a framework that expounds principles on how public accountability can best be achieved in the entire accountancy ecosystem would provide greater clarity to fulfil its intended objectives.

39 Japanese Institute of certified Public Accountants

We support the proposal.

41 Royal Nederlandse Beroepsorganisatie van Accountants

We support IESBA's position to emphasize the professional accountant's responsibility in a general way. We believe that with the proposals in the exposure draft, sufficient guidance is offered to the professional accountant to fulfill his responsibility. Further we believe that with these proposals the IESBA with the Code

of Ethics meets the requirements set for the accountant in this time of technological developments and a critical attitude of the environment in which the professional accountants act.

2. Support with More Substantive Amendments

07 Accounting Professional Ethical Standards Board Australia

APESB supports the proposals in paragraphs 110.1 A1(e) and R115.1(a) to require a Professional Accountant to behave in a manner that is consistent with the public interest. However, we are of the view that these paragraphs should not refer to the 'profession's responsibility' as we consider that the requirement should be that of the individual Professional Accountant. As such, APESB is of the view that these paragraphs could be amended to (consistent with drafting in paragraph 100.1 A1), for example:

Behave in a manner that is consistent with the professional accountant's responsibility to act in the public interest.

APESB is also of the view that all fundamental principles in the IESBA Code are relevant to the Professional Accountant's responsibility to act in the public interest, not just professional behaviour. Therefore, we believe there is a risk that singling out professional behaviour could diminish the importance of the other fundamental principles when assessing public interest matters. To mitigate this risk, the IESBA could consider including a reference to the public interest in the introductory sentence to paragraph 110.1 A1, for example:

There are five fundamental principles of ethics for professional accountants which underpin the professional accountant's responsibility to act in the public interest:

15 KPMG IFRG Limited

We support this proposal but recommend that a framework be included to clarify that the need to act in the public interest for a PAIB is in the context of the PAIB's specific job responsibilities, and for a PAPP who provides professional services other than audit, review or other assurance engagements, is in the context of the specific service being delivered by the PAPP. It is important to provide parameters by which to gauge compliance in order to ensure consistency in the implementation and interpretation of the requirements.

We also recommend that the Board consider the need to develop application material or non-authoritative guidance to support the implementation of the new requirement in R115.1 (a). Particularly for PAIBs, we believe guidance that further defines the public interest from the PAIB perspective and clarifies the expected difference in behaviour for PAPPs outside the assurance arena as a result of complying with this requirement could aid in implementation.

We further believe that the Board should expand the application material to provide scalability for the size of the organisation and, particularly, for the position of the PAIB within the organisation. The application of scalability of responsibility already exists in the NOCLAR standard, where there are different expectations for a senior PAIB (such as the language in 260.11 A1 and R260.12) versus that of a PAIB other than a senior PAIB (such as the language in R260.24). Such scalability should be added to clarify the new requirement for behaviour in the fundamental principles.

21 Accountancy Europe

Yes, we agree to enhance the definition of the fundamental principle of "professional behaviour" to highlight the importance of its consistency with what is expected of the professional accountants, taking into account public interest.

However, as drafted, it could imply that individual professional accountants have a direct public interest responsibility, which puts the individual in a very challenging position with a potential societal burden.

Moreover, as IESBA is aware, the term "public interest" has never been satisfactorily defined demonstrating

that there is no common understanding of this term. An alternative approach could be to require professional accountants to refrain from acting in a way that is knowingly against their own view of the public interest.

23 Chartered Accountants Australia and New Zealand

We support the proposal to require a Professional Accountant to behave in a manner that is consistent with the profession's responsibility to act in the public interest in paragraphs 110.1 A1(e) and R115.1.

Again, we consider there is arguably already sufficient guidance in the Code for professional accountants to determine that acting contra to the public interest would constitute unprofessional behavior. However, clarifying and reinforcing this connection is welcome.

We note, however, that this new requirement may be challenging to enforce due to its subjective nature. Enforcement may be assisted by adding reference to R115.1 (a) in 115.1 A1 (i.e. by providing direct linkage to the reasonable and informed third party test).

25 CPA Australia Ltd

The cornerstone of the accounting profession is 'to act in the public interest'. This is achieved by the decisions and actions of PAs. It is the individual PAs responsibility to behave in a manner that is in the public interest and it is the profession's responsibility to provide the framework by which the PA may be assessed against this concept. CPA Australia suggests that R115.1(a) should refer to the PA's responsibility in this regard rather than the Profession's responsibility.

The phrase 'Behave in a manner' is subjective in nature as suitable types of behaviour are not provided for or defined by the Code. As a result, it may be difficult to assess the PAs compliance with this requirement. Requirements which are ambiguous or subjective generally lack enforceability and are more suited to application material. CPA Australia suggests removing the phrase 'Behave in a manner' from R115.1 and clearly state that the PA must act in the public interest. The IESBA may consider providing guidance material regarding behaviour characteristics or alternatively, require the PA to exercise Professional Judgement when considering their behaviour and whether it is in the public interest.

26 Chartered Professional Accountants of Canada

We support the proposal while noting, however, that an understanding of the public interest (i.e., versus a definition if one were possible) and the evolution of what public interest means today or in the future is of critical importance, ever evolving, case specific and thereby challenging. The need for guidance through examples and case studies was identified as a possible support for professional accountants in considering this matter.

31 Instituto dos Auditores Independentes do Brasil

Yes, we do. Again, the profession's responsibility to act in public interest is being emphasized in this proposal paragraph. References to certain examples to be provided in Section 100 (as we mentioned in our first comment above) would be valuable to the professional accountants to get a comprehensive understanding about their responsibility.

35 Institute of Chartered Accountants of Nigeria

Yes, we support the proposal requiring a professional accountant to behave in a manner that is consistent with the profession's responsibility to act in the public interest. However, it will be helpful if there is more guidance as to how to determine what is public interest. It is possible that different people would have opposing views as to whether or not a particular proposal is in the public interest.

40 Malaysian Institute of Accountants

We support the proposal to require a professional accountant to behave in a manner that is consistent with the profession's responsibility to act in the public interest.

However, a clear definition of "public interest" is crucial to ensure consistent application as highlighted in our comments to Q1.

42 South African Institute of Chartered Accountants

Although we do not object to the changes dealing with public interest, we are of the opinion that the IESBA should consider providing more guidance on what this would include. The proposed changes highlight that professional behaviour is identified as "acting in the public interest". We are unsure on how this will be interpreted, and in whose public interest the professional accountant should be acting.

44 IFAC Professional Accountants in Business Committee

The proposed amendments introduce a requirement to behave in a manner that is consistent with the profession's responsibility to act in the public interest, but there is no proposed content to provide guidance on what this means in practice or how to ensure compliance.

Opinions on what is considered to be in the "public interest" can be subjective. If the IESBA is to add such a requirement, further guidance and examples would be useful to help accountants understand what it means to "behave in a manner that is consistent with the profession's responsibility to act in the public interest".

3. Does Not Support

05 National Association of State Boards of Accountancy

The goal is admirable, but NASBA repeats our previously stated key concern about the lack of an adequate definition of "act in the public interest."

12 Deloitte Touche Tohmatsu Limited

It is profoundly important for the Code to contain requirements and application material to enable professional accountants to meet their responsibility to act in the public interest.

We acknowledge this new requirement seems to be an articulation of what can already be inferred from the Code (i.e., the profession has a responsibility to act in the public interest and accordingly, this is the corresponding behavior expected of the professional accountant). However, as noted in the introduction, we are concerned at the lack of clarity created by the inclusion of the undefined concept of the public interest into the requirements of the Code through the proposed amendment to the definition of the fundamental principle of professional behavior. The key message should not be diluted that it is compliance with the whole Code (not just the fundamental principle of professional behavior) that enables accountants to meet their responsibility to act in the public interest.

20 Association of Chartered Certified Accountants

In previous submissions, ACCA has argued for the Fundamental Principles to be linked to the professional accountant's public interest responsibility. The Introduction should emphasise the need to act in the public interest and link this to compliance with the Fundamental Principles. We have also argued that the Code would be strengthened by the inclusion of an overarching requirement that the professional accountant shall uphold the public interest.

We therefore welcome the greater emphasis on the need to act in the public interest within the Code, which reinforces the importance of the professional accountant being proactive in acting in the public interest. However, as outlined in our response to Question 1, we are concerned that the relationship between compliance with the Code and a professional accountant's responsibility to act in the public interest is not clearly articulated within the proposals to strengthen the principle of Professional Behaviour.

In particular, we are concerned about the proposed wording in paragraphs 110.1 A1 (e) (i) and R115.1 (a) to "behave in a manner that is consistent with the profession's responsibility to act in the public interest". While we agree that a professional accountant should behave in a manner which upholds the public interest, we

believe that upholding the public interest is the **duty** of the accountancy profession and a professional accountant contributes to that, but a professional accountant cannot solely be responsible for safeguarding the public interest on behalf of the profession. The Code should not impose such a public interest responsibility on the individual professional accountant and, in our opinion, the wording in paragraphs 110.1 A1 (e) (i) and R115.1 (a) could be taken to mean this, creating unintended consequences which would be unfair. We also believe there could be practical difficulties in applying and enforcing this requirement.

Furthermore, 'the public interest' is not defined within the Exposure Draft. We accept that 'the public interest' is an abstract concept and challenging to define. It varies in individual situations and professional accountants need to think about the facts and circumstances as a whole when meeting their responsibility to act in the public interest. Where matters relating to the public interest are not covered by the Code, the professional accountant should always refer to the Fundamental Principles and Conceptual Framework in order to ensure compliance with the terms and the spirit of the Code.

24 Consultative Committee of Accountancy Bodies

Most of our member bodies have significant concerns about the proposed wording 'to behave in a manner that is consistent with the profession's responsibility...'. This can be read to imply a specific separate public interest duty on individual professional accountants which is over and above compliance with the fundamental principles. The public interest is an abstract notion that would be difficult to define in a clear and always appropriate way. We see practical difficulties in applying and enforcing such a requirement and wonder what situations IESBA envisages where compliance with the spirit as well as the letter of the fundamental principles would result in actions that were incompatible with the profession's responsibility?

30 Iranian Association of Certified Public Accountants

We are quite concerned about the proposed inclusion of an additional requirement in respect of an individual duty to the public interest which might be read in essence as a sixth fundamental principal.

32 Institute of Chartered Accountants in England and Wales

While we acknowledge IESBA's ambition to increase the prominence of the responsibility for the profession to act in the public interest, we do not support the apparent effect of the proposal, which can be read to create an additional principle for individual professional accountants to act in the public interest. The duty to act in the public interest belongs to the profession overall: we do not believe that there is a separate personal duty to act over and above compliance with the spirit and letter of the Code. We note the comments made by IESBA that: the board does not feel that it has the legal authority to assure accountants that by complying with the Code they have acted in the public interest; and the board does not believe that compliance with the Code is prima facie evidence or a rebuttable presumption that the professional accountant has acted in the public interest. We question whether

the purpose of the Code is to give legal authority in any context – the Code is concerned with ethical behaviour only and it has no legal locus.

ICAEW has considered this matter at some length and has issued guidance for members on their public interest responsibility. Acknowledging the profession's overall responsibility to the public interest, and that the Code has been written from this perspective, it goes on to state:

"Where a professional service is provided which complies with the first four fundamental principles of the Code, therefore, in most cases it would be reasonable for members to conclude that the professional service provided is not against the public interest. Indeed, it would not be in the public interest for members to set themselves up to make broad political or philosophical judgements when deciding whether to provide particular services. A disciplinary appeal tribunal considered this issue and pointed out by way of illustration, that such an approach to the public interest concept could compel an accountant to form a judgement, as a condition of taking on or continuing with a task, as to whether enhanced profit for a business is a greater

public good than increased levels of employment.

It concluded that it would be inappropriate for there to be such an obligation. Similarly, the discredit obligation does not mean that members cannot, if they wish, act for clients or employers whose legal activities are controversial with the general public, eg, tobacco or animal research. There is a clear public interest that such businesses, as long as they remain lawful, should have access to accountancy services.”

The duty of accountants to consider the public interest before accepting an assignment was considered in a disciplinary tribunal case taken by the UK Financial Reporting Council¹The tribunal discussed a hypothetical example of a proposed takeover bid by a foreign company of a domestic manufacturer. It queried whether accountants approached to act for the foreign company would be free to act, if there is a risk that were the takeover successful the predator will close down domestic factories. The tribunal’s view was that it would be absurd for accountants to have to consider the vague question of whether the takeover is in the public interest. The tribunal concluded that the discussion in the Guide to Professional Ethics² as to the public interest cannot alone form the basis of any charge that an individual accountant has been guilty of misconduct.

The concept that individual professional accountants have to consider the public interest in how they personally conduct themselves is a rather abstract one. It is unclear in which scenarios the board considers that a professional accountant could have complied with the spirit and letter of the Code, and yet have acted in a manner that is not in the public interest? We note the reference to changing public expectations, but the fact that the Code is principles-based should allow interpretation of the principles to adapt where necessary to reflect changes in societal attitudes. Professional accountants should be expected to apply their professional judgement when assessing how to deal with situations, and this judgement should take into account prevailing reasonable public perceptions as one of the relevant factors.

Subsection 115 of the Code already deals with how individual members behave; making it clear that they must, in essence, conduct themselves as a professional, i.e. in a respectable manner so that they are deserving of the respect the profession holds. Subsection 115 also requires as an extension of this personal conduct, that the individual must comply with relevant laws and regulations. It should be clear to individuals what their responsibilities are in this regard.

To add the suggested wording for revised R115.1 (a) that a professional accountant shall..... “Behave in a manner that is consistent with the profession’s responsibility to act in the public interest” could be read to fundamentally change the existing requirements from fairly clear edicts to behave in a decent, trustworthy and law abiding manner, to something far harder to comprehend or apply. The exposure draft does not provide a definition of the public interest, and it is a concept that has proven difficult for people to agree on.

There are further practical issues with introducing this personal duty to act in the public interest. ICAEW members, along with those of many other IFAC bodies, are obliged to comply with the Code and are subject to disciplinary action if they breach the Code requirements. Many cases are taken for breaches of Professional Behaviour, including failure to comply with the law, and members conducting themselves in an offensive or grossly inappropriate fashion. It is hard to imagine how such a disciplinary case could be taken under the principle of Professional Behaviour for a failure to act in the public interest, especially given the comments made by the FRC disciplinary tribunal referred to above. Members may rightly be concerned that they are being expected to adhere to a requirement without any clarity over what that means for them in their day to day lives.

In summary, we question the benefit, usefulness and practicality of introducing this additional personal requirement. The proposed wording referred to in this question should be deleted.

36 Institute of Chartered Accountants of Scotland

Whilst we agree that professional accountants should “behave in a manner that is consistent with the profession’s responsibility to act in the public interest”, the profession’s responsibility to act in the public

interest is supported by all of the fundamental ethics principles. We therefore do not believe the profession's, or the professional accountant's, public interest responsibility needs to be particularly highlighted in the professional behaviour principle, and in fact it could lead to confusion if it is only specifically referred to within the professional behaviour principle. We believe that the highlighting of the public interest responsibility of the profession at the start of Section 100 makes it clear that it applies under all circumstances.

Also, as noted in our response to Question 1, we note an inconsistency between the proposed wording in the Professional Behaviour principle at 110.1A1 with that used at paragraph 100.1A1. The Professional Behaviour principle requires the professional accountant to "behave in a manner that is consistent with the profession's responsibility to act in the public interest", whereas the wording in Section 100 refers to "professional accountants... responsibility to act in the public interest".

37 Institut der Wirtschaftsprüfer

We do not support the proposal to require the professional accountant to behave in a manner that is consistent with the professional's responsibility to act in the public interest in paragraphs 110.1 A1 (e) (i) and R115.1.

First, we do not believe that a requirement as in paragraph R115.1 or a de facto requirement through the definition of professional behavior in paragraph

110.1 A1 to behave in a manner that is consistent with the professional's responsibility to act in the public interest is enforceable in courts of law in most jurisdictions because public interest is a nebulous concept that the courts expect laws, regulations and standards to define more clearly for particular sets of circumstances. Commensurate to our response to Question 1 above, we believe it is unclear as to what the purpose of the noted proposed wording in paragraphs 110.1 A1 (e) and R115.1 is, because the fundamental principles, if appropriately applied, are more than adequately broad and strong enough to lead professional accountants acting in good faith to "do the right thing" in virtually all circumstances that professional accountants will face. There is really no need to appeal to "behave in a manner that is consistent with the professional's responsibility to act in the public interest": such an appeal suggests that the Code is being written under the presumption of "bad faith" on the part of professional accountants. As noted in our response to Question 1, in our view, this unjustified need to appeal to such an undefined, exhortatory concept that can never be enforced by courts of law in most jurisdictions seems to effectively issue, to authorities overseeing the profession, a "blank cheque" with which to claim non-compliance of the accountancy profession with the Code under the presumption that the profession will often not seek legal redress in the courts.

Second, we note that this requirement and the definition are actually inconsistent with the statement made in proposed paragraph 110.2 A1, which clarifies that the Code sets out the behaviors expected of professional accountants in meeting their responsibility to act in the public interest, because the proposed requirement and the definition effectively set a test of acting in the public interest beyond the required behaviors set forth in the rest of the Code through the fundamental principles and the related requirements and guidance.

For these reasons, we strongly recommend that the proposed addition to paragraphs 110.1 A1 (e) (i) and R115.1 (a) be deleted.

43 Wirtschaftsprüferkammer

We do not support this proposal.

From a civil law perspective, at least in Germany, the concept of public interest is regarded as a legal concept; it is left to the legal literature and, in particular, case law to interpret the concept for each specific case. Whether the public interest is met can solely be determined in the context of a comprehensive assessment of the meaning and purpose of a particular statutory provision.

In addition, the definition of "public interest" has been an issue of wider debate over the last years not only

within IFAC but also within the profession itself. We acknowledge that some relevant papers of accountancy organizations and IFAC, respectively exist which attempt to clarify the meaning of public interest“. However, despite these endeavors the concept of “public interest” is still broad and vague. Also due to cultural differences and the room for individual interpretation, the Code would be inconsistently applied if the proposed concept of public interest were maintained.

IESBA itself seems to have acknowledged the weaknesses of the concept public interest and to have deemed it as not appropriate just some time ago in the context of the project NOCLAR (cf. Explanatory Memorandum, paragraphs 50-51, Exposure Draft NOCLAR May 2015). Whereas at that time IESBA gave up its original idea of using this concept with a limited and specific scope, IESBA now accepts it as suitable and even dramatically elevates it to a general requirement (R115.1 (a)).

If the IESBA proposal were maintained, it would ultimately be up to the oversight bodies and regulators, respectively to determine the meaning of public interest and therefore whether the professional accountant has complied with the Code or not.

45 IFAC Small and Medium Practices Committee

The SMPC does not support the current proposal, as it significantly widens the type and scope of assignment and the number of parties (users of output) where PA might be challenged or possibly even sued, contractual law notwithstanding. Hence, it is important for the expectation under the context of public interest to be defined. As suggested above, at most a PA could be expected not to act in such a way as would be contrary to his or her understanding of the public interest in the specific circumstances (i.e., the PA's action(s) would involve consideration of the public interest).

Guidance material covering a trigger for action, the extent of the work effort for further investigation and critical evaluation and how the PA can address those situations satisfactorily (such as to discuss with clients or TCWG or the withholding of work to-date etc.) would be helpful.

In our view, the term “public interest” is likely to be subject to various different interpretations, not least where cultural differences come into play. The Board may want to reconsider the need for a project on the meaning of public interest in the global context. In our view, such project will need to be a collaborative effort of IESBA and other standard setters such as IAASB and possibly, PIOB and other regulators with a global remit. As mentioned in the IESBA Strategy Survey of April 2017, the Code currently does not expand upon individual public interest obligations and therefore, contains very little application material relating to a PA's public interest responsibilities. The lack of a clear definition and common understanding of public interest remains an issue as the interpretation of acting in the public interest can be highly subjective. For example, the degree of public interest in the work performed by the profession is not uniform. It can vary based on the type of engagement performed e.g. audit as compared to compilation engagements. The level of staff (e.g. in a practice, a partner compared to junior staff member) is also a factor. While there is a widespread recognition of the collective contribution of SMEs to the global economy, and hence the sector's high level of public interest, the public interest element in any one small practitioner's client base is expected to vary

No Comment

46 Professor Sir Andrew Likierman