

IESBA Meeting (December 2016)
Revision of Part C project
Revised Applicability Paragraphs

As a result of Board discussion on Tuesday December 12, 2016 on Agenda Item 5C¹ the “applicability paragraphs” to clarify that Part 2 might be applicable to PAPPs have been amended to accommodate member’s views. Changes are shown in mark-up below

R120.4 When facing an ethical issue, a professional accountant in public practice shall consider the context within which the issue has occurred. Where the accountant is performing professional activities pursuant to the accountant’s employment or ownership relationship with the firm, there might be requirements and application material in Part 2 that are also applicable to those circumstances. If so, the accountant shall comply with the relevant provisions.

Alternative Example

120.4 A1 For example, where a professional accountant is ~~placed under~~ pressured by an engagement partner to underreport chargeable hours for a client’s engagement in order to enhance the partner’s remuneration, questionable accounting treatment in a specific financial reporting issues in order to retain the client, ~~the requirements and application material set out in Section 270 would be relevant.~~

¹ Agenda Item 5C - Revision of Part C Phase 1-Issues and Proposed Text to Clarify Applicability