

October 27th, 2014

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International Accounting Education Standards Board

International Federation of Accountants

529 Fifth Avenue, 6th Floor

New York, NY 10017

Re: KICPA's Comments on the Exposure Draft, Proposed Framework for International Education Statements (2014)

On behalf of the Korean Institute of Certified Public Accountants (KICPA), please find our responses and comments below regarding the ED Proposed Framework for International Education Statements.

We are pleased to have the opportunity to respond to this ED. In general, we agree with the IAESB's objectivities of the proposed definition of professional accountants and changes in general education.

Question 1: Is the definition of a professional accountant appropriate for users of the IESs? If not, please explain.

Yes, the definition of a professional accountant is appropriate for users of IESs and will be able to play a meaningful role in raising the public awareness that professional accountants contribute to serve the public by complying with a code of ethics.

In line with the proposed definition, the framework depicts an accountancy profession's activities and services in introduction to help readers to understand what a professional accountant does and how this creates value. Considering the wide range of professional accountants' involvement in society, those paragraphs (2 and 3) are well summarized.

However, the significant role of professional accountants in the proper function of taxation system and its implication that holds significance in professional accountants' work make it necessary to include tax service in those paragraphs. In this regard, we believe the framework should include tax services to the activities of a professional account.

The same could be said even when the proposed framework assumes that tax service is included in advisory services. Without mentioning, it could invite a wrong indication that tax is intentionally omitted, which overlooks the importance of tax service, recognized as much substantial as assurance service.

Question 2:

Is the definition of general education appropriate for users of the IESs? If not, please explain.

We believe the definition of general education needs to be further clarified. After all, the definition needs to be further tailored to the needs of professional accounting education, not a general education commonly used in the society. The lack of clarification could improve by combining the two sentences in the paragraph 26 as below;

General education is a broad-based education through fundamental knowledge, skills, and attitudes are developed, which helps prepare an individual for entry into a professional accounting education program and supports lifelong learning and development.

However, as for using a separate paragraph rather than one of components in IPD, we think it is much more relevant and consistent to both of the revised IESs and common knowledge, since some topics that fall into general education category also need to be conducted as CPD program as well as IPD.

Question 3:

Because the proposed draft of the Framework does not include any requirements and its primary purpose is to describe the learning concepts underpinning the IESs, the IAESB is proposing the revised Framework be non-authoritative. Do you agree with this change? If not, why?

Yes, we agree that the revised framework shall be non-authoritative. Even if the framework is non-authoritative, it can be used as the base for the IAESB in developing and maintaining the IESs and also as the benchmark for IFAC member bodies in their activities related to learning and development, due to a clear explanation of the purpose of the framework.

Question 4:

Is the updated Framework clear and easy to understand? If not, please explain.

Yes, we believe the proposed Framework is clear and comprehensive in general.

Question 5:

Does the updated Framework appropriately align with the recently revised IESs? If not, what gaps or differences should be addressed?

The proposed Framework seems to align with the recently revised IESs, excluding practical experiences recognized as CPD. Professional accountants are expected to stay up to date with professional competence. However, the paragraphs in the proposed CPD raise a concern over the possibility of misleading readers into believing that professional accountants' practical experiences themselves automatically comply with their obliged CPD requirements over time. This interpretation seems to run counter to the intended objective of IES 7. The last sentence of the proposed paragraph 34 should limit practical experience to the one in case of performing a professional accountant's role requiring additional breadth or depth of knowledge, skills and values, in consistent with the paragraph 4 of IES 7. In addition, the paragraph 36 also needs to be rephrased to decrease the misleading.

Question 6:

Are there any other terms within the Framework which require further clarification? If so, please explain the nature of the deficiencies.

Please refer to the comments on the Question 5.

Question 7:

Are there any other terms within the Framework which require further clarification? If so, please explain the nature of the deficiencies.

Note	Proposed	Suggested
The paragraph 9 seems to miss out another important pillar of accounting education program: delivery.	Universities, employers, and other stakeholders who play a part in design, development, or assessment of professional accounting education programs for aspiring professional accountants and professional accountants	Universities, employers, and other stakeholders who play a part in design, development, <u>delivery</u> or assessment of professional accounting education programs for aspiring professional accountants and professional accountants
The first sentence of paragraph 38 needs to be simpler.	The purpose of assessment is to gather evidence that the appropriate level of professional competence has been achieved to performing a role of a professional accountant.	The purpose of assessment is to gather evidence that <u>the evaluated has achieved</u> the appropriate level of professional competence has been achieved to performing a role of a professional accountant.

Thank you for your relentless efforts to improve IAEs and support the profession.

Respectfully,



Yeong-kyun Ahn

Vice President for Research and Education

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