

February 4, 2015

Ken Siong

Technical Director

International Ethics Standards Board for Accountants

International Federation of Accountants

529 Fifth Avenue, 6th Floor

New York, NY 10017

Dear Ken Siong,

The Korean Institute of Certified Public Accountants (KICPA) is pleased to comment on the Consultation Paper (CP) issued by the International Ethics Standards Board for Accountants (IESBA), regarding “Improving the Structure of the Code of Ethics for Professional Accountants.” KICPA is a strong advocate of IESBA for your relentless efforts to increase the level of ethical standards that professional accountants are expected to perform and to serve the public interest by developing high-quality professional ethical standards.

<General Comment>

1. We agree, in general, with IESBA’s approach outlined in this CP in that the project is designed to improve the understandability, clarity and usability of the IESBA Code of Ethics for Professional Accountants without changes to the meaning of the Code, thereby resulting in facilitating its adoption and implementation in the respective jurisdiction.
2. One of the major changes of this project is believed to distinguish requirements from guidance. We agree that distinguishing requirements and prohibition more clearly from explanation and guidance would increase the understandability of the Code.
  - As previously discussed in IESBA, distinguishing requirements from guidance without due consideration could result in professional accountants focusing only on requirements and prohibition without sufficient effort to fully understand the principles of the

Code. Accordingly, we would like to suggest that IESBA put a priority on increasing the understandability of the Code over the revision processes as well as distinguishing requirements from guidance in a more effective manner.

*\* We understand the APB Ethical Standard presents requirements and guidance together, but the paragraphs containing requirements in a bold typeface, as part of way to distinguish requirements from guidance.*

### 3. KICPA Comments on Questions

Questions	KICPA Comment
1. Do you believe that the approach outlined in this Consultation Paper, as reflected in the Illustrative Examples, would be likely to achieve IESBA's objective of making the Code more understandable? If not, why not and what other approaches might be taken?	We agree the general approach outlined in the CP.
2. Do you believe that the approach outlined in this Consultation Paper, as reflected in the Illustrative Examples would be likely to make the Code more capable of being adopted into laws and regulations, effectively implemented and consistently applied? If not, why not and what other approaches might be taken?	Distinguishing requirements clearly from guidance is believed to increase the chances of the Code being adopted into laws.
3. Do you have any comments on the suggestions as to the numbering and ordering of the content of the Code (including reversing the order of extant Part B and Part C), as set out in paragraph 20 of the Consultation Paper?)	No other comments.
4. Do you believe that issuing the provisions in the Code as separate standards or rebranding the Code, for example as International Standards on Ethics, would achieve benefits such as improving the visibility or enforceability of the Code?	It is expected to bring about the benefit of improving the visibility of the Code, but the change of its publication format or branding would not have a substantial impact on facilitating the adoption and implementation of the Code.
5. Do you believe that the suggestions as to use of language, as reflected in the Illustrative Examples, are helpful? If not, why not?)	The approach suggested in the CP is believed to improve the understandability of the Code in non-English speaking jurisdictions.
6. Do you consider it is necessary to clarify responsibility in the Code? If so, do you consider that the illustrative approach to responsibility is an appropriate means to enhance the usability and enforceability of the Code? If not, what other approach would you recommend?)	We consider it is necessary to clarify responsibility in the code, and we support the IESBA's approach to include additional requirements for firms to identify an appropriate individual who is responsible for compliance with the Code in particular circumstances. We believe the illustrative approach

	in the CP is an appropriate meansto clarify responsibility and enhance the usability and enforceability of the Code.
7. Do you find the examples of responsible individuals illustrated in paragraph 33 useful?)	We found the examples illustrating individuals generally being able to responsible in firms, useful in the context of the flexibility of the Code.
8. Do you have any comments on the suggestions for an electronic version of the Code, including which aspects might be particularly helpful in practice?	We believe that the electronic version of the Code with enhanced navigation and hyperlinks to requirements and guidance and to defined words and terms would increase its usefulness.
9. Do you have any comments on the indicative timeline described in Section VIII of this Paper?	No particular comments, but we wish IESBA harmonize this project's revisionschedule with other on-going projects, in a bid to minimize confusion from the perspective of the Code users.
10.Do you have any other comments on the matters set out in the Consultation Paper?)	No more comments

We hope our comments would be useful for the IESBA's project that aims to improve the Structure of the Code of Ethics for Professional Accountants. Please feel free to contact [global@kicpa.or.kr](mailto:global@kicpa.or.kr) for further inquiries.

Thank you.