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Accountants

Sent by email to
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Paris, 26th April 2017

Subject: CNCC and CSOEC comments on the *Proposed Revisions to Clarify the Applicability of Provisions in Part C of the Extant Code to Professional Accountants in Public Practice (PAPPs)*.

Dear Mr. Ken Siong,

The two French institutes, CNCC and CSOEC are pleased to provide you with their comments on the IESBA Exposure Draft *Proposed Revisions to Clarify the Applicability of Provisions in Part C of the Extant Code to Professional Accountants in Public Practice*.

General comments:

We agree in principle with the application of part 2 of the Code to professional accountants in public practice.

It is logical that the ethical principles applicable to professional accountants in business in their behavior and relationships with their hierarchy also apply to professional accountants in public practice when they are facing the same situations. The application of ethical principles by professional accountants in public practice should not be restricted to their relationships and behavior with clients.

We note however that firms are also required to comply with ISQC1 in their internal organization.



ISQC1 provides the appropriate context for a proper application of the code of ethics (and for quality audits and other engagements). We consider therefore that there should be a liaison in part 3 of the code of ethics (applicable to professional accountants in public practice) with ISQC1, stating for example that ISQC1 provides the proper context for the application of the code of ethics by professional accountants in public practice. This would clearly enshrine the application of the code by professional accountants in public practice in the policies and procedures of their firm.

Specific Comments:

1. Do respondents agree with:

(a) The proposed applicability paragraphs; and

We suggest removing the example in the paragraph 120.4 A1 from the conceptual framework set out in Section 120 because this example is only applicable to PAPPs.

The purpose of the conceptual framework is to set the overarching principles and provide a road map to the other parts of the Code, not to provide examples which are better placed in the respective parts of the Code to which they apply.

(b) The proposed location of those paragraphs in Sections 120 and 300 of the proposed restructured Code. If not, why not?

We have no comment on the proposed location.

Request for General Comments

In addition to the request for specific comments above, the IESBA is also seeking comments on the matters set out below:

- **Small and Medium Practices (SMPs) and PAIBs – The IESBA invites comments regarding any aspect of the proposals from SMPs and PAIBs.**

No specific comment, except that the smaller the firm, the more difficult it will be for professional accountants in practice to escalate the ethical problems they may face internally within the firm.

- **Regulators and Audit Oversight Bodies – The IESBA invites comments on the proposals from an enforcement perspective from members of the regulatory and audit oversight communities.**

N/A.

- **Developing Nations – Recognizing that many developing nations have adopted or are in the process of adopting the Code, the IESBA invites respondents from these nations to comment on the proposals, and in particular on any foreseeable difficulties in applying them in their environment.**

N/A


- **Translations – Recognizing that many respondents may intend to translate the final changes for adoption in their own environments, the IESBA welcomes comment on potential translation issues respondents may note in reviewing the proposals.**

No comments on this question.



We hope you will find our comments helpful. If you have any question, please do not hesitate to contact us.

Best regards,


Jean BOUQUOT
President of CNCC


Charles-René TANDE
President of CSOEC