

(NBAA)



THE NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS
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Date: 4th May, 2020

Managing Director,
International Federation of Accountants,
International Ethics Standards Board for Accountants,
529 5th Avenue
New York, New York 10017

Dear Sir/Madam

**RE: PROPOSED REVISION TO THE NON-ASSURANCE SERVICES PROVISION
OF THE CODE**

Refer to the heading above.

NBAA as the PAO responsible for the professional training, development and regulation of the accountancy profession in Tanzania and as the member board of the International Federation of Accountants welcomes the opportunity to provide you with our comments on the Exposure Draft on the proposed revision to the non-assurance services provision of the code.

Specific Matter for Comment 1:

Do you support the proposal to establish a self-review threat prohibition in proposed paragraph R600.14?

Yes: We do support the proposal.

Specific Matter for Comment 2:

Does the proposed application material in 600.11 A2 set out clearly the thought process to be undertaken when considering whether the provision of a NAS to an audit client will create a self-review threat? If not, what other factors should be considered?

Yes: We do agree with the application material in 600.11 A2, but other factor should be to determine whether there is a risk that the NAS result will affect information provided in the annual report other than the financial statements as per ISA 720 (Revised).

Specific Matter for Comment 3:

Is the proposed application material relating to providing advice and recommendations in proposed paragraph 600.12 A1, including with respect to tax advisory and tax planning in proposed paragraph 604.12 A2, sufficiently clear and appropriate, or is additional application material needed?

Yes: We do agree that the proposed application material is sufficiently clear and appropriate.

Specific Matter for Comment 4:

Having regard to the material in section I, D, “Project on Definitions of Listed Entity and PIE,” and the planned scope and approach set out in the approved project proposal, please share your views about what you believe the IESBA should consider in undertaking its project to review the definition of a PIE.

Yes: The IESBA should consider issue like attributes related to public sector and allow each jurisdiction add other criteria if any in defining PIE.

Specific Matter for Comment 5:

Do you support the IESBA’s proposals relating to materiality, including the proposal to withdraw the materiality qualifier in relation to certain NAS prohibitions for audit clients that are PIEs (see Section III, B “Materiality”)?

Yes: We do agree, but we recommend that materiality should be applied across all NAS and across PIE and non-PIE entities.

Specific Matter for Comment 6:

Do you support the proposal to prohibit the following NAS for all audit clients, irrespective of materiality:

- Tax planning and tax advisory services provided to an audit client when the effectiveness of the tax advice is dependent on a particular accounting treatment or presentation and the audit team has doubt about the appropriateness of that treatment or presentation (see proposed paragraph R604.13)?
- Corporate finance services provided to an audit client when the effectiveness of such advice depends on a particular accounting treatment or presentation and the audit team has doubt about the appropriateness of that treatment or presentation (see proposed paragraph R610.6)?

Yes: We do agree with the prohibition.

Specific Matter for Comment 7:

Do you support the proposals for improved firm communication with TCWG (see proposed paragraphs R600.18 to 600.19 A1), including the requirement to obtain concurrence from TCWG for the provision of a NAS to an audit client that is a PIE (see proposed paragraph R600.19)?

Yes: We do agree with this proposal but it should also be extended to non-PIE as well.

Specific Matter for Comment 8:

Do you support the proposal to move the provisions relating to assuming management responsibility from Section 600 to Section 400, and from Section 950 to Section 900?

Yes: We do agree with this proposal.

Specific Matter for Comment 9:

Do you support the proposal to elevate the extant application material relating to the provision of multiple NAS to the same audit client to a requirement (see proposed paragraph R600.10)? Is the related application material in paragraph 600.10 A1 helpful to implement the new requirement?

Yes: We support the elevation of the extant application material, the application material is helpful as well.

Specific Matter for Comment 10:

Do you support the proposed revisions to subsections 601 to 610, including:

- The concluding paragraph relating to the provision of services that are “routine or mechanical” in proposed paragraph 601.4 A1?
- The withdrawal of the exemption in extant paragraph R601.7 that permits firms and network firms to provide accounting and bookkeeping services for divisions and related entities of a PIE if certain conditions are met?
- The prohibition on the provision of a tax service or recommending a tax transaction if the service or transaction relates to marketing, planning or opining in favor of a tax treatment, and a significant purpose of the tax treatment or transaction is tax avoidance (see proposed paragraph R604.4)?
- The new provisions relating to acting as a witness in subsection 607, including the new prohibition relating to acting as an expert witness in proposed paragraph R607.6?

Yes: We support the proposed revisions to subsections 601 to 610.

Specific Matter for Comment 11:

Do you support the proposed consequential amendments to Section 950?

Yes: We support the consequential amendments to section 950.

Specific Matter for Comment 12:

Are there any other sections of the Code that warrant a conforming change as a result of the NAS project?

Answer: We do not see any section warranting conforming changes.

General comment

For developing nations complications is on medium and small audit firms where it may be somehow difficult to introduce restrictions on acceptance of NAS due to limited number of available customers (clients).

If you require any clarification on our comments, please contact the undersigned.

Yours sincerely,



CPA Angyelile V. Tende

For: EXECUTIVE DIRECTOR



Member of International Federation of Accountants (IFAC) & Pan African Federation of Accountants (PAFA)



All communication to be addressed to the Executive Director NBAA

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