

7 April 2017

Mr Ken Siong,
Technical Director,
International Ethics Standards Board for Accountants,
529 Fifth Avenue, 6th Floor,
New York,
NY 10017,
USA.

Dear Mr Siong

Exposure Draft *Improving the Structure of the Code of Ethics for Professional Accountants – Phase 2*

Crowe Horwath International is delighted to present a comment letter on the Exposure Draft *Improving the Structure of the Code of Ethics for Professional Accountants – Phase 2*. Crowe Horwath International is a leading global network of audit and advisory firms, with members in some 129 countries.

We welcome the Exposure Draft presented by IESBA and the efforts that IESBA is making to improve the understandability and usability of the Code. The presentation of the Code is much improved and the project appears to be achieving its desired aims.

We address the specific matters detailed in the IESBA's request for comments in the appendix to this letter.

We trust that our comments assist the IESBA in the project to restructure the Code. We shall be pleased to discuss our comments further with you.

Kind regards

Yours sincerely



David Chitty
International Accounting and Audit Director

Appendix – Response to Request for Specific Comments *Improving the Structure of the Code of Ethics for Professional Accountants— Phase 2*

Question	Response
<i>Structure of the Code Phase 2</i>	
<p>1. Do you believe that the proposals in this ED have resulted in any unintended changes in meaning of:</p> <ul style="list-style-type: none"> • The provisions for Part C of the Extant Code, as revised in the close-off document for Part C Phase 1 (see Sections 200-270 in Chapter 1)? • The NOCLAR provisions (see Sections 260 and 360 in Chapter 2)? • The revised provisions regarding long association (see Sections 540 and 940 in Chapter 3)? • The provisions addressing restricted use reports in the extant Code (see Section 800 in Chapter 4)? • The provisions relating to independence for other assurance engagements (Part 4B in Chapter 5)? <p>If so, please explain why and suggest alternative wording.</p>	<p>We do not consider that the proposals have resulted in any unintended changes in the meanings of the specified items.</p>
<p>2. Do you believe that the proposals are consistent with the key elements of the restructuring as described in Section III of this Explanatory Memorandum?</p>	<p>The proposals are consistent with the key elements of the restructuring.</p> <p>We particularly welcome the clearer distinction of requirements as “R” and application material as “A”. This will help with the understanding and application of the Code.</p>
<i>Conforming Amendments Arising from the Safeguards Project</i>	
<p>3. Respondents are asked for any comments on the conforming amendments arising from the Safeguards project.</p>	<p>We have no comments about the conforming amendments.</p>
<i>Effective Date</i>	
<p>4. Do you agree with the proposed effective dates for the restructured Code? If not, please explain why not.</p>	<p>We agree with the proposed effective dates.</p> <p>We note that different components of the restructured Code have different effective dates. Whilst it would be desirable for all components to have a single effective date this is clearly not feasible because of the nature of the components. It is therefore very important that IESBA clearly communicates the different effective dates. In particular,</p>

	<p>IESBA should work closely with national regulators and standard setters to make sure that there are no misunderstandings in the implementation of the Code.</p>
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