Dear Executive Director,

Regarding: IFAC Exposure Draft on Proposed Statements of Membership Obligations 1-7 (Revised)

The Belgian Instituut van de Bedrijfsrevisoren - Institut des Réviseurs d’Entreprises (IBR-IRE) thanks the International Federation of Accountants (IFAC) Board for its invitation to comment on the Exposure Draft on Proposed Statements of Membership Obligations 1-7 (Revised).

IBR-IRE generally acknowledges the relevance of the Member Body Compliance Program, especially in order for IFAC to monitor the degree of convergence of its member bodies with respect to the implementation of the standards issued by IAASB, IESBA and IAESB. Indeed, IBR-IRE understands that the Program serves as an engine to achieve the successful adoption and implementation of international standards and best practices. However, as mentioned in comment letters to previous Exposure Drafts, in order to facilitate convergence and to increase respect for cultural diversity, IBR-IRE also encourages the issuance of principles-based professional standards taking into account both the civil law and the common law perspective.

IBR-IRE also welcomes the clarifications brought to the IFAC Compliance Assessment, which explains that IFAC gives due consideration to the applicability framework, best endeavour concept – which is particularly relevant where member bodies have varying degrees of responsibility for an SMO area, such as SMO 5 relating to International Public Sector Accounting Standards – differing national environments, stages of development, and other relevant environmental factors in assessing a member body’s or associate’s compliance.

In addition, IBR-IRE strongly supports IFAC’s initiative with regard to the publication of the compliance responses on its website. Such responses may be useful to other IFAC member bodies and all those who are interested in the development of the profession. In this context, IBR-IRE reiterates its point of view expressed in previous letters addressed to IFAC according to which increased transparency is in the public interest.
However, IBR-IRE would like to draw IFAC Board’s attention to the fact that the revised provisions, which put the burden of the translation process of international standards and related standards on the IFAC member bodies, are too onerous for the following reasons:

- an official language is often used in more than one country throughout the world. IBR-IRE would therefore encourage the compliance staff who are said to be fluent in over 10 languages, including five out of six UN languages, to support member bodies in their efforts to translate standards and to liaise with other member bodies who have the same official language;
- some IFAC member bodies would not need to translate the exposure drafts or are not willing to invest in such a translation in order for them to be in a position to comment on such documents;
- some IFAC member bodies from developing nations for instance may have the same official language as other IFAC member bodies who could potentially help the first with their translation process but do not need to translate the documents themselves for the aforementioned reasons;
- although IBR-IRE strongly encourages IFAC to provide a translation of the international standards and exposure draft at least into all languages of the United Nations in order to increase convergence, IFAC member bodies do not always need to translate the entire standards as some of the provisions set out for instance in the IESBA Code of ethics may already be dealt with in their legal and regulatory environment (be it in a more stringent way).

We therefore would plead for the requirement with respect to the translation of international standards and of related exposure drafts to be revisited accordingly as it is in the public interest that the proposed changes are manageable in order to avoid a huge expectation gap.

***

Please do not hesitate to contact us should you need any further information.

Yours sincerely,

Michel De Wolf