

Exposure Draft

Responding to Non-Compliance with Laws and Regulations

Our general comments

We understand that the amendment constitutes a major effort to maintain professional dignity.

There is significant work implemented and shows the coordination of different efforts. And given the participation of reviewers, who come from diverse cultures, a tolerant gaze activity manifested. Tolerance is one of the values of citizenship and is essential for peaceful coexistence. Through attitudes the formation of a planetary ethics is enhance.

Nowadays it is complex, by the manifestation of standards and best practices to ensure a good reflection on the practice, especially worldwide.

This does not mean that professionals in public accounting are worse people, but in activity other determinants are required. Thus, knowledge through networking, other ways of thinking about life - contact with other cultures - and the increasing complexity of the economic world, is toppling borders in a changing and uncertain environment. This forces us to turn eyes to human attitudes and explicit training in the subject as indispensable tool. The merit of the proposal itself, from code values, is fundamental because it gives meaning to good professional practice.

Although it is not strictly occasion of this consultation, we would like to make a contribution, already mentioned to the authorities. Based in a study of deep sense of values, I humbly dare to put that consideration that the conceptualization of "Integrity" value should be improved. It would be clearer to define itself and not supported by the mention of two other values that are necessary for the exercise itself.

We fear that conceptualize a value with another does not lead to a vast understanding. Building on this concern, we have sought a more precise in my opinion that defines concept. And turning to various dictionaries of philosophy and writings are what we leave to your consideration:

•Integrity

Professional assumes and committed to moral values and principles of this Code, and translates this into their concrete actions. Therefore it should be particularly reliable, truthful, loyal and ethically conducted.

As you can appreciate, it is a value that appeals essentially to coherence between: the values, to assume the commitment to them and their application in practice. Then in this

case, the concept emphasizes some other values, which may diverge according to the code used.

Also, we understand that it is understandable difficulty conceptualizing "public interest", this, because in the field of ethics and following the philosopher Adela Cortina "public is all that exceeds the private". So perhaps it appeals to the criterion of "materiality" in practice.

This is a logical way to hold the professional, to take awareness of the complexity of their task. *Ethics training responsibility*, contributes largely to their success.

The professional prepares, consults, but in the end, the way forward to solve the problem that was posed to him determined on the basis of their conscience. And perhaps because of this formation of his character will be invaluable help to take the right path. But you cannot ignore that businesses tend to take economic risks and sometimes moral, who cannot be transposed to the profession.

The result of the complexity is that the **proposed amendments** are also highly valued because, among other things, comes out of setting on the table attitudes as an important part of what the professional does.

It is reasonable, the Committee limitations criteria for developing a single code for very different cultures.

In the case of determining **whether to disclose the matter to a competent authority**, which adjoins the principle of **confidentiality** must remember that it is a principle of civilization, and that came as a result of the recognition of the right to privacy and the right to Human beings have to defend a private sphere where move freely.

But the ethic of responsibility has come to put limit to the temptation of particular interest prevail over the interest of even global community.

That freedom can lead to human, especially if it holds power, to lose sight of the development of other individuals, their values even more precious life A setback in terms of peaceful coexistence and respect for the dignity of the other.

Professional public accounting is confronted in economic activity to advise or join powerful organizations. But it is inappropriate for them is worth of contravening a law or regulation, because only that way will result in suffering the consequences of that violation. What does not emerge, which does not mean it was not taken into account-is the debate on how to act if there is a possibility of protected anonymous tip, which occurs, for example, allegations of money laundering. We infer that there are cases where the values in professional conflict (the common good or public interest vs. confidentiality), and this can ultimately only appeal to your good judgment and conscience to make the determination. It is clear that the reality is very difficult to catch in the casuistry of a code, but can be bounded either a manual of good practices.

In another, we consider that you should walk in the direction of the code explain the importance of working for sustainable development, including environmental and social issues that should be met regardless of national laws to protect him. Professionals should assume its role as moral leaders and promote changes that will help to peaceful coexistence.

Request for Specific Comments

143. The Board welcomes views from respondents on the following matters.

General Matters

1. Q. Where law or regulation requires the reporting of identified or suspected NOCLAR to an appropriate authority, do respondents believe the guidance in the proposals would support the implementation and application of the legal or regulatory requirement?

A. Fighting for the right to privacy (which implies confidentiality) is a civilizational struggle that protects the individual and promotes civility. The professional always has the possibility of departing from the client. However, in a country where reporting is regulated NOCLAR is because it is an important issue in that society. Establish as an ethical principle "commitment to comply with the legal order of society where it is exercised" could be a good way to express it.

2. Where there is no legal or regulatory requirement to report identified or suspected NOCLAR to an appropriate authority, do respondents believe the proposals would be helpful in guiding PAs in fulfilling their responsibility to act in the public interest in the circumstances?

A. Yes, they are an appropriate way forward.

3. The Board invites comments from preparers (including TCWG), users of financial statements (including regulators and investors) and other respondents on the practical aspects of the proposals, particularly their impact on the relationships between:

- (a) Auditors and audited entities;
- (b) Other PAs in public practice and their clients; and
- (c) PAIBs and their employing organizations

A. When reality becomes more complex, the professionals have the challenge of developed skills, abilities and attitudes to embrace the challenge and continue exercising. Ethical, efficient and effective professional should handle those relationships.

4. Do respondents agree with the proposed objectives for all categories of PAs?

A. Yes, we are

5. Do respondents agree with the scope of laws and regulations covered by the proposed Sections 225 and 360?

A. Yes, we are

6. Do respondents agree with the differential approach among the four categories of PAs regarding responding to identified or suspected NOCLAR?

A. In full agreement; it does strength of the proposal. Clearly the contact, commitment and the addressing point of the issue are different and helps delineate it explicit or assume responsibilities for unwanted acts to society.

7. With respect to auditors and senior PAIBs:

(a) Do respondents agree with the factors to consider in determining the need for, and the nature and extent of, further action, including the threshold of credible evidence of substantial harm as one of those factors?

A. Yes, it is apparently a friendly implement threshold.

A high point to detect irregular situations affecting the public interest it is the proposed mandatory communication between auditors of financial statements. As audit work is a high complexity task and commitment, it is indispensable, a request by the proposed auditor the existing auditor, to provide known information on any fact or circumstance which, in the opinion of the latter is relevant. Keep in mind also, before deciding whether to accept the contract.

But even that is added must be clearly and honestly, having to communicate if you are unable to pass it by negative customer.

This prevents communication evade either involves discomfort or misunderstood competition.

Equally, it is important the involvement of the relevant bodies of the company in the field.

(b) Do respondents agree with the imposition of the third party test relative to the determination of the need for, and nature and extent of, further action?

A. We understand that everything that collaborates to a successful professional judgment is welcome, provided it is done responsibly.

(c) Do respondents agree with the examples of possible courses of further action? Are there other possible courses of further action respondents believe should be specified?

A. Authorities on the subject say that too detailed codes drive to moral parsimony. In the case of the code in question it can be justified detail given the current impossibility of forming attitudes globally and our aspiration comprehensive topics. Anyway must consider whether to make an exhaustive list.

(d) Do respondents support the list of factors to consider in determining whether to disclose the matter to an appropriate authority?

A. Yes, we consider it very well treated. Anyway, always affects the consciousness of the decision maker and the formation of his character to carry it forward.

8. For PAs in public practice providing services other than audits, do respondents agree with the proposed level of obligation with respect to communicating the matter to a network firm where the client is also an audit client of the network firm?

A. Although you can have your risk, we consider appropriate.

9. Do respondents agree with the approach to documentation with respect to the four categories of PAs?

A. It is in full agreement with the Committee, in that it proposes that the required documentation differs only in terms of the level of obligation.

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

(a) *PAIBs working in the public sector*—Recognizing that many PAIBs work in the public sector, the Board invites respondents from this constituency to comment on the revised proposals and, in particular, on their applicability in a public sector environment.

A. It does not work in the public sector but for the Public Sector and there, sometimes the intervention of professionals who are not qualified to work in the judiciary and to assist in conflict resolution is observed. It is a moral and not a regulatory issue, which can be extended to any area of the profession. In developing countries often it needed general accountants, since it is inserted in small companies. They cannot keep skilled professionals and colleagues sometimes do not consider, even morally right to offer services that have no market relevance. Small businesses are the backbone of the economy substantially. We cannot comment specifically on the topic proposed.

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

A. In Uruguay it was adopted, with no easy dissemination and adoption in reality. In applied ethics classes, graduate students say they feel this code it as alien and it is designed for other realities.

We believe, based on experience in writing code in a context of high demand,

perhaps this code should change its format to be speeded up to the valued efforts made.

Experts' acquiescence that a code should be neither too general, that is not a guide, not too detailed that circumvented the moral formation of those who fall. What I mentioned above as "moral parsimony".

Perhaps it would be wise to separate what is a code from a manual of good practices. This purpose is better access by professionals, among others. This would give greater stability to the code and who potentially could be used.

We take into account the characteristics of this special code. But the constant changes at the code itself believe, inclined to disregard for reference. At least, that is the experience of some teachers in the field.

It is understood that stands in the way of achieving professional dignity, but he says thinking of those not engaged in the matter. Anyway, you cannot ignore training in professional attitudes so that, as is mentioned, conscience and character of who in an extreme situation should ultimately take a relevant decision.

- c) *Translations*—Recognizing that many respondents may intend to translate the final pronouncement for adoption in their environments, the Board welcomes comment on potential translation issues respondents may note in reviewing the revised proposals.
 - A. It is important to have translations into Spanish parallel to the English language.