



Our Ref.: C/EC

26 July 2017

Ken Siong  
Technical Director  
International Ethics Standards Board for Accountants  
529 Fifth Avenue, 6th Floor  
New York, NY 10017  
The United States of America

Dear Sir,

**IESBA Exposure Draft**  
**Proposed Application Material Relating to:**  
**(a) Professional Skepticism – Linkage with Fundamental Principles; and**  
**(b) Professional Judgement – Emphasis on Understanding**  
**Facts and Circumstances**

The Hong Kong Institute of Certified Public Accountants is the only body authorised by law to set and promulgate financial reporting, auditing and ethical standards for professional accountants in Hong Kong. We are grateful for the opportunity to provide you with our comments on this Exposure Draft.

We support the proposals in the Exposure Draft. We consider that the proposed application materials clarify what is implicit in the provisions of the Code, and thereby, support the exercise of professional skepticism in the context of audits of financial statements and promote the application of professional judgement.

If you have any questions regarding the matters raised above, please contact Eky Liu, Associate Director of the Standard Setting Department ([eky@hki CPA.org.hk](mailto:eky@hki CPA.org.hk)).

Yours faithfully,

Chris Joy  
Executive Director

CJ/EL