



January 23, 2015

International Ethics Standards Board for Accountants (IESBA)  
(via IFAC Website)

Dear Members of IESBA:

The Committee on Ethics (CoE) of IMA® (Institute of Management Accountants) is pleased to submit its views to the International Ethics Standards Board for Accountants (IESBA) on its Consultation Paper, "Improving the Structure of the Code of Ethics for Professional Accountants."

IMA is a global association representing more than 70,000 accountants and finance team professionals. Our members work inside organizations of various sizes, industries and types, including manufacturing and services, public and private enterprises, not-for-profit organizations, academic institutions, government entities, and multinational corporations.

The CoE is IMA's technical committee on ethics-related matters. It is responsible for encouraging IMA members, their organizations and other individuals to adopt, promote, and execute superior business practices in management accounting and finance consistent with IMA's mission by advocating the highest ethical principles. It maintains and promotes the IMA's principal business and ethics guidance, the *IMA Statement of Ethical Professional Practice*, and oversees the administration of IMA initiatives designed to ensure compliance with the IMA Statement. It also reviews and responds to research studies, statements, pronouncements, proposals, and other documents issued by domestic and international agencies and organizations.

Following are our comments in response to Questions for Respondents contained in the Consultation Paper:

**1. Do you believe that the approach outlined in this Consultation Paper, as reflected in the Illustrative Examples, would be likely to achieve IESBA's objective of making the Code more understandable? If not, why not and what other approaches might be taken?**

Despite the effectiveness of the proposed improvements, the Code would remain substantial in size and many might find it challenging to follow, particularly as the audience is global and English may be a second language. To enhance simplification and help ensure the fundamental principles are clearly conveyed and easily resonate to all, the Board may want to consider including an opening section explaining key themes and basic principles. The Code itself can then be referred to for a more detailed explanation and specific examples of applications.

**2. Do you believe that the approach outlined in this Consultation Paper, as reflected in the Illustrative Examples would be likely to make the Code more capable of being adopted into laws and regulations, effectively implemented and consistently applied? If not, why not and what other approaches might be taken?**

We have limited insight into the capabilities of law generating bodies, and therefore, cannot effectively give an opinion on adoptability. Having said that, we do believe that there is value in being clear as to expectations for accounting professionals. We support the concept of clearly distinguishing between requirements and guidance. Requirements should be clearly stated as behavior and expected of all professional accountants. We support including examples of application of principles in guidance.



**3. Do you have any comments on the suggestions as to the numbering and ordering of the content of the Code (including reversing the order of extant Part B and Part C), as set out in paragraph 20 of the Consultation Paper?**

We concur with the revised numbering and grouping.

**4. Do you believe that issuing the provisions in the Code as separate standards or rebranding the Code, for example as International Standards on Ethics, would achieve benefits such as improving the visibility or enforceability of the Code?**

As noted in (1) above, the document remains substantial in size and may be challenging for many to understand. Separate standards may not alleviate complexity, but as noted, some sort of Opening Statement, or Statement of Ethical Conduct that captures key themes and can be easily read as an independent document would likely be useful in simplifying and improving visibility. Alternatively, the Board may want to consider preparing a “one-page” International Standard on Ethics that is then supported by the Code.

**5. Do you believe that the suggestions as to use of language, as reflected in the Illustrative Examples, are helpful? If not, why not?**

The suggestions as to the use of language are helpful, but the document remains substantial and potentially challenging to follow.

**6. Do you consider it is necessary to clarify responsibility in the Code? If so, do you consider that the illustrative approach to responsibility is an appropriate means to enhance the usability and enforceability of the Code? If not, what other approach would you recommend?**

It would appear to be useful to add this clarification, to the extent possible.

**7. Do you find the examples of responsible individuals illustrated in paragraph 33 useful?**

Yes.

**8. Do you have any comments on the suggestions for an electronic version of the Code, including which aspects might be particularly helpful in practice?**

We strongly support the electronic version of the Code in the interest of expanding availability and accessibility of the information. Further, the electronic version should be designated as an official version, along with the paper version, to avoid confusion over authenticity.

**9. Do you have any comments on the indicative timeline described in Section VIII of this Paper?**

Paragraph #42 refers to the ease in which the Code could be translated into different languages. We believe the ability to translate the Code into different languages is critical and should be given a high priority. In fact, we believe the work plan should incorporate plans to translate into two or three of the



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more popular languages (e.g. Spanish, Mandarin, and/or Arabic) reflecting the global nature of the organization. Should the Code be too difficult translate, this may be an indication that the language in the Code has not been sufficiently simplified.

**10. Do you have any other comments on the matters set out in the Consultation Paper?**

No.

We would be pleased to discuss our comments at your convenience.

Yours very truly,

A handwritten signature in black ink that appears to read "Curtis C. Verschoor".

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