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Our ref **SS/288**

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Dear Sirs

IFAC Exposure Draft, Proposed Statements of Membership Obligations 1-7 (Revised)

We are pleased to have the opportunity to comment on the International Federation of Accountant's ("IFAC") proposed Statements of Membership Obligations ("the ED").

Overarching Comments

We are supportive of the proposed Statements of Membership Obligations (SMOs) and recognize the challenges associated with imposing obligations on IFAC member bodies when they operate in different jurisdictions and have different levels of responsibility for adoption and implementation of standards or other requirements in the SMOs.

The profession has made significant progress in the last decade in emphasizing the importance of the adoption and implementation of global standards. Accordingly, we believe that requirements relating to best endeavors should build on this progress and should therefore be written to more consistently encourage member bodies to work towards adoption of standards issued by the public interest Boards and more actively discourage national changes to standards on an ad hoc basis.

The extent to which international standards are perceived to be relevant to local jurisdictions will, to a great extent, influence whether or not they are adopted by member bodies without amendment. Accordingly, we believe the SMOs should encourage member bodies, not just to adopt the standards, but to participate in their development by providing feedback as to how requirements and guidance can be improved. This "feedback" loop to the standards setters will allow them to gain insights into how standards and guidance may be improved to meet the needs of all users. It will also lead to more global consistency in the application and implementation of international standards around the world.

To this end, we recommend that the sections addressing Requirements and Application Guidance in each relevant SMO be, to the extent possible, consistent and that they include guidance along the following lines:

- A statement similar to that included in paragraph 12 of SMO 4, i.e., given the importance of consistent, high quality standards, member bodies should not apply less stringent standards.
- A statement similar to that included in paragraph 12 of SMO 3 clarifying that adoption of international standards means limiting local modifications.
- A statement encouraging member bodies to contribute to the development of, and to disseminate internationally developed implementation guidance, if practicable, before developing implementation guidance at the local level.

We also recommend modifying the description of “adoption” in the Requirements and Application Guidance section of each SMO to emphasize the participation aspect of adoption. This is discussed further in our response to question 2 in Appendix 1.

Lastly, we believe it would be helpful for the relevant SMOs to provide additional clarity as to whether “best endeavors” includes an expectation that an IFAC member body would actually perform an action aimed at assisting with implementation of an SMO requirement when they have no direct responsibility for that action but clearly have the ability to perform it. This is discussed further in our response to question 1 in Appendix 1.

Our responses to the specific questions in the consultation paper are attached as Appendix 1 to this letter. We have provided paragraph level comments in Appendix 2 and editorial comments in Appendix 3. We would welcome the opportunity to discuss any of the matters raised in our responses with you. If you have any questions then please contact Sylvia Smith (email: sylvia.smith@kpmgifrg.com or by phone at +44 (0)20 7694 8089).

Yours faithfully

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Appendix 1

Our responses to specific questions posed by IFAC

Our responses to the questions posed in the Exposure Draft are set out below.

- 1. Considering differing national regulatory environments around the world, does the applicability framework included in each SMO provide sufficient clarity on what is expected of member bodies, when they have varying degrees of responsibility for an SMO area?***

We are comfortable with the Applicability Framework included within each SMO; however, there are some paragraphs throughout the document where the responsible party might be more clearly identified. In most cases, this confusion occurs in situations where the IFAC member body does not have responsibility for a particular area, but they might have the ability to perform the required action in the SMO.

For example, paragraph 24 of SMO 1 requires that relevant guidance on quality control standards be developed and published. In a jurisdiction where the IFAC member body does not have responsibility for quality assurance review systems, paragraph 12 states that the IFAC member body is required to use its best endeavors to encourage the responsible body to develop and publish relevant guidance and assist in implementation where appropriate.

We believe that, in most jurisdictions where the IFAC member body does not have the responsibility for quality assurance review systems, it still would have the ability, to develop and publish guidance on whatever topics it deems appropriate. In this case, does “assist in implementation where appropriate” result in a requirement for the IFAC member body to develop and publish the guidance, particularly if it fails in its requirement to use its best endeavors to encourage the responsible party to do so?

We believe additional clarification around situations such as this one would be helpful. We have identified other paragraphs where we believe the IFAC member body would have the ability to do something, even if it does not have the responsibility to so.

- 2. The SMOs refer to adoption and implementation of international standards and provide descriptions of both concepts to ensure that both terms are understood in their broader meaning. Are these descriptions sufficient to ensure clear understanding that adoption and implementation encompasses a broad range of actions including national convergence, harmonization, incorporation, transposition, and integration of international standards into national frameworks?***

We agree that adoption and implementation encompasses a broad range of actions, including national convergence, harmonization, incorporation, transposition, and integration of international standards into national frameworks. However, we have some suggestions regarding how “adoption” is described in the relevant paragraphs.

The first bullet in the relevant paragraphs in the SMOs states that “adoption” is concerned with the decision that international standards are appropriate for use in specific national financial reporting environments. We do not agree that the actual decision of whether to adopt international standards should be part of the adoption and implementation obligations for

member bodies under the SMO. We believe that adoption for purposes of the SMO should address the process followed to integrate international standards into national requirements which, as described in our overarching comments, should include member body participation in the development of standards. We therefore recommend that the description of “Adoption” in the SMOs be revised as follows:

~~“Adoption” is concerned with ultimately results in the decision that international standards are appropriate for use in specific national financial reporting environments and with the actions necessary to effect those decisions, including incorporation integration of international standards into national requirements or requiring the use of international standards through a requirement by law to use international standards.~~ Adoption typically includes a process to review draft international standards, translation, and public exposure of proposed standards, with a view to effect decisions that will result in international standards that are appropriate for use in specific national financial reporting environments. Adoption also typically includes approval of international standards, incorporation into national requirements as necessary, and promulgation of final standards, and where applicable, a convergence process to eliminate or minimize differences between international and national standards.

Appendix 2 – Paragraph-Level Comments

Paragraph-level Comments		
SMO 1 2-4 5 6 7	Paragraph 8-9 5-6 4-6 3-4 4-5	We appreciate the recognition in these paragraphs that IFAC member bodies operate under different national legal and regulatory frameworks, and may have different degrees of responsibility for meeting the requirements of this SMO. These paragraphs indicate that the scope of the responsibility of member bodies is determined by “general consensus.” We wonder what is meant by “general consensus.” It would be helpful if the SMOs provided guidance as to how achievement of “general consensus” may be assessed.
SMO 1 2-5 6 7	Paragraph 10-11 7-8 5-6 6-7	These paragraphs clearly states that, where IFAC members have direct responsibility for compliance with SMO 1, and they do not follow the requirements, they may be suspended or removed from membership of IFAC. We wonder why there is not a similar sanction against member bodies that have no responsibility or have shared responsibility that do not comply with the requirements appropriate to their circumstances.
SMO 1 2-5 6 7	Paragraph 11 8 6 7	This paragraph states that, in exceptional circumstances, an IFAC member body may depart from a requirement of this SMO, and that in this case, the IFAC member body shall justify and publicly document the departure. It would be helpful to include guidance as to the types of “exceptional circumstances” contemplated in this paragraph and the form and type of publishing that would be considered acceptable.
SMO 1 2-5 6 7	Paragraph 12 9 7 8	This paragraph applies to member bodies that have no responsibility for compliance with the relevant SMO. In the extant SMOs (for example in paragraph 6 of the extant SMO 1), there is a discussion of why a member body might not have this responsibility (i.e., because government, regulators or other appointed authorities perform the functions.) We believe it would be helpful to retain this discussion in the proposed SMO. Furthermore, in this paragraph, we believe it would be helpful to provide some guidance around what is meant by “encourage,” in what manner this encouragement would be delivered, and to whom.
SMO 1 2-5 6 7	Paragraph 84 18 57 17	These paragraphs indicate that IFAC member bodies “need to” consider priorities, processes and challenges specific to their jurisdiction and constituency. We wonder about the obligation attached to the term “need to.”
SMO 1	Paragraph 6	This paragraph states that IFAC member bodies have responsibility for quality assurance review systems in respect of their members, but only to the extent that they are performing engagements in the country or

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		countries of the IFAC member body’s domicile. We wonder how the quality of the work of members working outside the member body’s domicile is assured. We recognize that this may be an uncommon situation, except for perhaps in group audit engagements, so perhaps the quality is assured through the group audit team’s quality assurance regime. If so, perhaps this might be explained in the SMO.
SMO 1	Paragraph 7	We support the requirement in this paragraph for IFAC member bodies to give due consideration to quality assurance systems operated by external authorities to ensure there is no undue overlap between the systems. We believe this is important to maintaining efficiency of the quality assurance process. However, we believe that the distinction between the two systems may not be clear. We therefore recommend that the SMOs include believe the paragraph would benefit from an example of an “external authority” and guidance surrounding the concepts of “undue overlap,” and “due consideration.”
SMO 1	Paragraph 18	<p>We agree that a mandatory quality assurance review system should be in place for firms performing audits of financial statements. However, the second sentence of paragraph 15 notes that “due consideration shall be given to statutory audits and audits of financial statements of public interest entities”.</p> <p>First, we do not believe the phrase “due consideration shall be given” is clear. We propose that “due consideration” be replaced with “priority.”</p> <p>More importantly, we do not believe that statutory audits should necessarily be a priority focus of quality assurance review systems since in many countries statutory audits are required for all entities irrespective of size and risk profile.</p> <p>Given this, we recommend that the second sentence of paragraph 15 be deleted altogether since the scope and priority to be given to different types of audits of financial statements is covered in detail in paragraph 35 of the SMO. Alternatively, we recommend that the second sentence be amended as follows:</p> <p style="padding-left: 40px;">Depending on the legislative framework, <u>priority</u> due consideration shall be given to statutory audits and audits of financial statements of public interest entities.</p>

Paragraph-level Comments		
SMO 1	Paragraph 15-19	<p>Paragraph 16 requires criteria to be established and published for evaluating which engagements other than audits of financial statements shall be included in the scope of the system. However, paragraph 19 also supplies criteria for extending the scope of engagements that will be subject to a quality assurance review. It would be helpful if the SMO clarified the relationship between paragraphs 16 and 19.</p> <p>Paragraph 18 “encourages” the expansion of scope to all professional services. As in paragraph 12, we believe some guidance around the meaning and authority of the word “encourage” would be helpful. It also would be helpful if the SMO provided examples of the types of professional services that may be within the scope of paragraph 18.</p> <p>Finally, we recommend that paragraph 20, which deals with the responsibility of firms under ISQC 1 to establish appropriate systems of quality control, be re-located to the section on Quality Control Standards. This will include the firms’ responsibilities in one section. It will also avoid a blurring of the firms’ responsibilities from those of the Member Bodies.</p>
SMO 1	Paragraph 24	<p>It would be helpful if paragraph 24 identified the body responsible for developing and publishing relevant guidance on quality control standards. The key issue here is to clarify whether under the SMO an IFAC member body would be expected to satisfy this requirement, irrespective of who has the responsibility for the quality assurance review system.</p>
SMO 1	Paragraph 27	<p>In paragraph 27, we wonder who decides whether the subject of the quality assurance review system is a firm or a partner. We also wonder what criteria would be used to make the decision. It is unclear what “at the national level” means. Does this mean that the decision is made at the national level, but may result in a different outcome for different firms or types of engagements within the jurisdiction? Or does this mean that throughout the entire jurisdiction, the subject of the quality assurance review system will be either firms or partners? We believe that the scope of the quality assurance review system should apply to both engagements and engagement leaders, of which partners would be a significant sub-set.</p>
SMO 1	Paragraph 30	<p>In paragraph 30, we believe it would be helpful to provide examples of suitable criteria for determining whether the outcome of a review can be considered satisfactory to be published. Differing “suitable criteria” among IFAC members and other bodies that may be responsible could lead to inconsistent results within the same global network of firms. We also wonder what is intended by the requirement to “publish.” Who is the intended audience? In paragraph 31, paragraph 58 is cited as useful in developing criteria; however, this reference does not appear to be correct.</p>

Paragraph-level Comments		
SMO 1	Paragraph 32	It would be helpful if paragraph 32 identified the body responsible for publishing the description of the scope and design of the program. The key issue here is to clarify whether under the SMO an IFAC member body would be expected to satisfy this requirement, irrespective of who has the responsibility for the quality assurance review system. We note that, in paragraph 18 of the extant SMO, the Member Body is required to publish a description of scope and design of program.
SMO 1	Paragraph 33	The use of the present tense in paragraph 33 makes it unclear if the procedures listed are required to be included in quality assurance review system guidelines, or are just examples.
SMO 1	Paragraph 34	We support the inclusion of a “mixed approach” for selecting firms for review in paragraph 34. The purpose of the second sentence in paragraph 34 is not clear. It also appears to be unnecessary given that the application of a cycle-based, risk-based approach to both firms and partners is covered in paragraphs 35 to 37. We therefore recommend deleting the second sentence of paragraph 34.
SMO 1	Paragraph 35	<p>Paragraph 35 seems to suggest that a cycle approach is optional even though it is required by paragraph 34. We suggest revising paragraph 35 as follows:</p> <p style="text-align: center;">Jurisdictions that select a <u>A</u> cycle approach shall <u>include</u>....</p> <p style="text-align: center;">(a) adopt a cycle of a maximum of three years when...</p> <p style="text-align: center;">(b) adopt a cycle of a maximum of six years when...</p> <p>Paragraph 35(c) contains a requirement to “take into consideration” the quality and effectiveness of the internal inspection system of a partner’s firm when a partner is the subject of the quality assurance review. This paragraph would benefit from guidance as to what “take into consideration” means. For example, it would be helpful if the SMO included guidance that described the key characteristics of systems of quality control as described under ISQC 1, including internal inspection systems that may have an effect on the scope and timing of the quality assurance reviews contemplated by the SMO.</p>
SMO 1	Paragraph 47	<p>We suggest that the second bullet in paragraph 47 be redrafted as follows:</p> <p style="text-align: center;"><u>determining whether the quality assurance reviewer can rely on the effectiveness of the firm’s monitoring processes in place for the period under review by testing the effectiveness of the firm’s monitoring procedures in place for the period under review, and whether the quality assurance reviewer can rely on them, by performing tests of the conclusions of the applicable period’s monitoring as a source of evidence. It may be useful to plan the quality assurance review concurrent with the</u></p>

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		<p style="text-align: center;">member's monitoring procedures.</p> <p>We believe the third bullet in paragraph 47 is redundant and that it should be deleted given that paragraph 45 requires an assessment of the system of quality control relating to audits of financial statements.</p>
SMO 1	Paragraph 55	Use of the present tense in paragraph 55 makes its status unclear. We believe that the statement in the first sentence, that individuals selected as quality assurance review team leaders and members of quality assurance review teams are members in good standing in the profession, should be a requirement.
SMO 1	Paragraph 61	<p>We believe that the requirement in this paragraph should be strengthened as follows:</p> <p style="text-align: center;">...those responsible for selection and approval shall <u>determine</u> consider whether the objectivity of the quality assurance review team leader and each member of the quality assurance review team has been assessed and confirmed.</p>
SMO 1	Paragraph 69 and 72	<p>It is important that paragraph 72 give recognition to the need to consider local laws and regulations to help ensure that the requirement does not contravene privacy and confidentiality requirements in certain jurisdictions. Accordingly, we recommend that paragraph 72 be amended as follows:</p> <p style="text-align: center;"><u>Subject to the requirements of local laws and regulations</u>, an annual report shall be prepared and made available to the public</p>
SMO 1	Paragraph 74	Paragraph 74 indicates that the conclusions in each quality assurance review report shall be considered. We recommend that the SMO clarify who this requirement is directed to and the purpose of the consideration.
SMO 1	Paragraph 80	Paragraph 80 requires regular reviews of the proper implementation and effectiveness of the quality assurance review system. We recommend that the SMO clarify who this requirement is directed to.
SMO 6	Paragraph 2	It is not clear if the last phrase of the first sentence, “and the related obligation of an IFAC member body” is meant to be an addition to the matters that this SMO sets out (i.e., the requirements of an IFAC member body with respect to investigation and disciplinary, and the related obligation of an IFAC member body), or if it is meant to imply that failure to comply with the professional standards or related obligations set by an IFAC member body would subject an individual to investigation and discipline. We believe that the paragraph is intended to address the former. We therefore recommend that the

Paragraph-level Comments		
		<p>paragraph be amended as follows:</p> <p style="padding-left: 40px;">This Statement of Membership Obligations (SMO) is issued by the IFAC Board and sets out the requirements <u>and the related obligations</u> of an IFAC member body with respect to investigation and disciplinary systems, which provide for the investigation and discipline of those who fail to exercise and maintain professional standards, and the related obligation of an IFAC member body. To understand and address the requirements, it is necessary to consider the entire text of the SMO.</p>
SMO 6	Paragraph 19	We recommend deleting the last sentence since it includes guidance at a level of detail that is not consistent with the rest of the paragraph 19.
SMO 6	Paragraph 28	<p>This paragraph establishes a test for invoking disciplinary processes that is based on conduct by a member that has fallen significantly short of what might reasonably have been expected in the circumstances. It would be helpful to clarify whose expectations are being used as the measure. We therefore recommend that the paragraph be revised as follows:</p> <p style="padding-left: 40px;">One of the established tests for invoking disciplinary processes is that the member’s (or member firm’s) conduct has fallen significantly short of what might reasonably have been expected <u>of a member with similar background and experience</u> in the circumstances, but it is for each body to establish the appropriate test.</p>
SMO 6	Paragraph 29	<p>Use of the present tense in the first sentence of paragraph 29 makes the level obligation unclear. In addition, use of “shall also” in the next sentence appears to imply that the first sentence is also a requirement. We recommend the following change to first sentence of paragraph 29 to help clarify the intent:</p> <p style="padding-left: 40px;">It <u>may be beneficial</u> is appropriate to have a senior lawyer act as independent adviser to members of the tribunal...</p> <p>We have the same observation about the last sentence of paragraph 29. We recommend the following change:</p> <p style="padding-left: 40px;">If this practice is adopted, it is appropriate that the chair <u>may</u> be legally qualified or that an independent legal adviser <u>may</u> also be present.</p>
SMO 6	Paragraph 30	This paragraph requires institutional rules that prevent the body responsible for the investigation and disciplinary system from influencing the disciplinary tribunal’s work. Given the importance of this requirement to a member firm’s disciplinary process, we recommend that the SMO explain what body is envisaged as promulgating and enforcing these rules by, for example, clarifying the

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		meaning of “institutional” rules.
SMO 6	Paragraph 32	Use of the present tense in paragraph 32 makes its status unclear. We recommend that the paragraph be revised as follows: <u>It is particularly important that penalties shall include...</u>
SMO 6	Paragraph 37	This paragraph requires the setting of time targets, and requires the body responsible for investigation and disciplinary system to “aim to meet them whenever possible.” This seems to be a weak requirement. We suggest deleting the second phrase in this sentence. The requirement to aim to meet the time target is implicit in the concept of a time target, and is elaborated upon appropriately in paragraph 38-40.
SMO 6	Paragraph 39	Paragraph 39 states that “where it is not necessary to have a formal disciplinary hearing, an appropriate target might be to complete the process as quickly as practicable”. We recommend deleting this sentence as it stating the obvious.
SMO 6	Paragraph 45	The penultimate sentence states that, “It is recommended that records be retained long enough to ensure that relevant information is available...” Also, the last sentence states that, “It is advised to refer to legislation in their jurisdictions that deal with the handling, storage and use of data and confidential information.” We recommend the following change to make the level of obligation clear: <u>Records shall be retained for a period that is sufficient so long enough to ensure that relevant information is available to protect the public interest and the members of the IFAC member body or as required by local laws and legislation. It is advised to refer to legislation in their jurisdictions that deal with the handling, storage and use of data and confidential information.</u>
SMO 6	Paragraph 46	The second sentence states that “it is recommended that case reports be published.” We suggest the following change to the first and second sentence to clarify the obligation attached to this recommendation: <u>Reports of disciplinary and similar proceedings may be a valuable educational tool, in that they (a)... , (b)... , and (c)... . Therefore, publishing case reports and encouraging students and qualified members to study them can provide a valuable opportunity for education. For this reason, it is recommended that case reports be published, and that students and qualified members be encouraged to study them.</u>

Paragraph-level Comments		
SMO 6	Paragraph 46	<p>The penultimate sentence states that, “it is important to ensure that the rights of all concerned ... are not adversely affected.” Again, we recommend the following change to clarify the obligation:</p> <p style="padding-left: 40px;">In all circumstances, it is important to ensure that the rights of all concerned (for example, the rights of those involved in related civil or criminal cases) are not adversely affected by the timing of publication or content of such reports shall not adversely affect the rights of those involved in related civil or criminal cases.</p>
SMO 6	Paragraph 53	<p>This paragraph indicates that, if an individual or firm is a member of more than one member body, the member bodies are encouraged to consider informing relevant qualifying professional accountancy organizations about the outcome of the investigative proceedings. In some jurisdictions, the qualifying professional accountancy organization is not a member body. In those jurisdictions, we believe the member body should consider informing the qualifying professional accountancy organization, even if the member is a member of only one member body. We also believe that, if the member is a member of more than one member body, the member bodies should keep each other involved.</p> <p>We suggest redrafting the paragraph as follows:</p> <p style="padding-left: 40px;">“To the extent that local laws permit, <u>and member bodies are aware that members subject to investigative proceedings belong to other member bodies or professional accountancy organizations,</u> member bodies shall consider informing <u>such relevant qualifying professional accountancy organizations</u> about the outcome of the investigative proceeding. In some cases, an individual or a firm may be a member of more than one member body. In these cases, to the extent that local laws permit, member bodies may consider informing other member bodies about the outcome of the investigative proceeding.”</p>
SMO 7	Paragraph 11	<p>This paragraph states that member bodies shall identify and undertake actions to have the IFRSs issued by the IASB adopted and implemented for <i>at least public interest entities</i> in their jurisdictions. We note that the IASB has developed IFRS for Small and Medium Entities. We believe that this SMO should also encourage the adoption and implementation for IFRS for SMEs for entities that are not public-interest entities.</p>

Appendix 3 – Editorial Comments

Editorial Comments		
SMO 1	Paragraph 41	We believe that paragraph 41 would be easier to read if the list of additional factors that may be considered was bulleted.
SMO 1	Paragraph 60	For simplicity and clarity, we recommend redrafting paragraph 60 as follows: “In conducting a review, the quality assurance review team shall comply with the objectivity and confidentiality principles of the IESBA <i>Code of Ethics</i> .”
SMO 1	Paragraph 86	We suggest a footnote in paragraph 86(h) to indicate that it is from ISQC 1.
SMO 6	Paragraph 13	In the sentence following the bullets, we suggest replacing the word “lesser” with “other,” because whether one offense is considered greater or lesser than another might be subject to cultural or jurisdictional differences.
SMO 6	Paragraph 14	For simplicity and clarity, we suggest redrafting the lead-in to this paragraph as follows: “Where local laws and public interest considerations permit, the response shall be directed proportionally to the individual member and the firm, depending on their relative responsibilities. Elements to consider include:” We also recommend deleting the “and” at the end of the third bullet, because it makes the list look as if it is a complete list, when in fact, other elements may influence the determination.
SMO 6	Paragraph 15	We are uncomfortable with the word “ensure.” It implies a guarantee. We suggest replacing it with “facilitate” in this paragraph.
SMO 6	Paragraph 16	We suggest drafting the last phrase as follows, “the sanctions shall include both restriction and removal of practicing rights.” We also wonder, in this sentence, whether the “restriction” referred to is a restriction of practicing rights, or another type of restriction. If it is a restriction of practicing rights, perhaps the “both” should be removed and “restriction” and “removal” should be separated by “or” rather than “and.” If it is a restriction of something else, that should be clarified in this sentence.
SMO 6	Paragraph 17	While we are supportive of good professional relationships with public authorities, we recognize that this is a two way street. The term “fostered” has an element of nurturing something that exists. We suggest it be replaced with “promoted.”

Editorial Comments		
SMO 6	Paragraph 18	<p>We are uncomfortable with the word “ensure.” We suggest the following edits:</p> <p>“The body responsible for the investigation and disciplinary system shall make available the appropriate expertise...”</p> <p>“A suitably qualified, senior member of staff shall be given the responsibility for managing investigative and disciplinary processes that are consistent with the rules of natural justice...”</p>
SMO 6	Paragraph 23	We suggest adding a footnote to this sentence indicating where in SMO 1 this requirement can be found.
SMO 6	Paragraph 24	The term “stand down” is rather colloquial. We suggest “withdraw.”
SMO 6	Paragraph 25	We find the terms “case to answer” and “charges shall be laid” to be unusual. Cases are pursued and charges are brought.
SMO 6	Paragraph 34	We are uncomfortable with the word “ensure.” We suggest: “The tribunal shall develop and utilize sanctioning guidelines when imposing sanctions to achieve (a)... and (b)... .”
SMO 6	Paragraph 38	In the third sentence, “It” should be “They,” as it is talking about the plural mechanisms.
SMO 6	Paragraph 41	We suggest editing the first sentence as follows: “In most jurisdictions, confidentiality of proceedings contributes to the good standing of the investigative and disciplinary process; however, ...”
SMO 6	Paragraph 47	The “it wishes” in the second line should be a “they wish,” as it is referring to the plural “IFAC member bodies” in the plural.