



Proposed Revisions to Clarify the Applicability of Provisions in Part C of the Extant Code to Professional Accountants in Public Practice

ICAEW welcomes the opportunity to comment on the *Proposed Revisions to Clarify the Applicability of Provisions in Part C of the Extant Code to Professional Accountants in Public Practice* published by IESBA on 24 January 2017, a copy of which is available from this [link](#).

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RESPONSES TO SPECIFIC QUESTIONS

Q: Do respondents agree with:

- (a) The proposed applicability paragraphs; and
- (b) The proposed location of those paragraphs in Sections 120 and 300 of the proposed restructured Code.

If not, why not?

1. We are supportive of the application to Professional Accountants in Public Practice (PAPP) in the circumstances described, as well as the proposed locations for the paragraphs above.
2. We have no major criticisms of the proposed wording however we would like to draw IESBAs attention to the explanatory memorandum which suggests that the wording should include 'employees and contractors'. The wording in the applicability paragraph instead refers to 'employment or ownership'. Contractors should be included however it may be preferable to simply remove the words "employment or ownership", thereby applying Part C to the accountant's relationship with the firm in all contexts.
3. We also believe that there should be some reference that a PAPP will usually be surrounded by other PAPPs, and less likely to be a lone professional in an employing organisation. It is therefore more likely that mechanisms for resolving ethical dilemmas should be readily available and utilised by the PAPP when they are.
4. We note that the definition of PAPP includes firm, so while agreeing with the idea of extending Part C to individual accountants, the new wording may have unintended consequences (e.g. extending the requirements to non-accountants in the firms).