

**ASOCIACION INTERAMERICANA DE CONTABILIDAD  
INTERAMERICAN ACCOUNTING ASSOCIATION  
ASSOCIAÇÃO INTERAMERICANA DE CONTABILIDADE**

San Juan, Puerto Rico, July 24th, 2017

Members of the Board

*International Ethics Standards Board for Accountants*® (IESBA®).

529 5th Avenue, 6th Floor  
New York, New York 10017

**REF: Proposed Application Material Relating to:**

- a) Professional Skepticism – Linkage with the Fundamental Principles; and**
- b) Professional Judgment – Emphasis on Understanding Facts and Circumstances**

Dear Members of the Board,

The Inter-American Accounting Association (IAA) (AIC – in Spanish), welcomes the opportunity to comment on the Exposure a) Professional Skepticism – Linkage with the Fundamental Principles; and b) Professional Judgment – Emphasis on Understanding Facts and Circumstances.

This reply summarizes the views of different member countries of the IAA, according to the following due process:

**Due process:**

The Draft was submitted to the different IAA member, the Inter-American Technical Commissions (ITC) and the Sponsor Organizations (SO), hence all members had the opportunity to participate in the discussion of the Draft.

All comments received from the ITC and SO, were compared and discussed, before preparing a reply which has been approved upon by all members

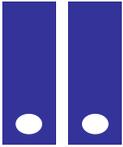
**General comments:**

We decisively support the IESBA initiative on this important issue, considering the educational issue as fundamental in the formation and exercise of the accounting and auditing professional.

If you have any questions about our comments, please do not hesitate to contact us.

Sincerely,

Antonio Gómez Espiñeira  
**PRESIDENT**



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**Comment Letter of the Interamerican Accounting Association- IAA on the document for public discussion referred to; “a) Professional Skepticism – Linkage with the Fundamental Principles; and Professional Judgment – Emphasis on Understanding Facts and Circumstances”.**

We have answered the questions of the document in accordance with the provided instructions. Please see our answers and related comments below.

**Request for Specific Comments**

***Proposed Application Material Relating to Professional Skepticism (paragraph 120.13 A1)***

Question 1. Do respondents agree that the proposed application material enhances the understandability of the conceptual framework in Section 120 of the proposed restructured Code?

Answer. Yes.

It does improve the comprehensibility of the conceptual framework, since the description regarding professional skepticism has been widened.

Question 2. Do the examples in the proposed application material clearly describe how compliance with the fundamental principles of integrity, objectivity, and professional competence and due care support the exercise of professional skepticism in the context of an audit of financial statements? If not, why not?

Answer. Do not.

It must be explained with examples that allow a better understanding of its content. Currently the material does not allow a clear understanding.

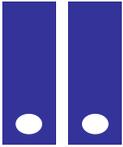
***Proposed Application Material Relating to Professional Judgment (paragraph 120.5 A1)***

Question 3. Do respondents agree that the proposed application material enhances the understandability of the conceptual framework in Section 120 of the proposed restructured Code?

Answer. Yes.

It does improve the Section 120 of the Code and in general the Code itself.

We suggest a clearer explanation for users to understand its content without difficulties



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**Request for General Comments**

As to the content of the exposure draft in general, we agree that professional skepticism does not only apply to those who perform audit functions, but also extends beyond it and other assurance commitments.

Also, professional judgment is emphasized in the understanding of facts and circumstances, and the concept of this encompasses not only the audit.