



FOR IMMEDIATE RELEASE

IESBA ENHANCES INTERNATIONAL CODE OF ETHICS; PROPOSES NEW GUIDANCE FOR PROFESSIONAL SKEPTICISM AND PROFESSIONAL JUDGMENT

(New York, New York, May 11, 2017) – The International Ethics Standards Board for Accountants[®] (IESBA[®]) today released for public comment the Exposure Draft, [Proposed Application Material Relating to Professional Skepticism and Professional Judgment](#). The proposed guidance for the first time links key concepts in the IESBA *Code of Ethics for Professional Accountants*[™] (the Code) and clarifies their application, namely:

- how compliance with the fundamental principles in the Code supports professional skepticism by auditors and assurance practitioners for audit, review, and other assurance engagements; and
- the importance of professional accountants obtaining a sufficient understanding of the facts and circumstances known to them when exercising professional judgment in applying the conceptual framework underpinning the Code.

“Compliance with the fundamental principles and professional skepticism are essential obligations of professional accountants for audit and other assurance engagements,” said IESBA Chairman Dr. Stavros Thomadakis. “We are articulating for the first time the linkage between the two, making clear the important role that the fundamental principles play in enabling auditors and assurance practitioners to meet the public’s expectations about exercising professional skepticism.”

The proposed guidance addressing the fundamental principles and professional skepticism responds to a recommendation from the tripartite Professional Skepticism Working Group established by the IESBA, the International Auditing and Assurance Standards Board (IAASB), and the International Accounting Education Standards Board (IAESB).

“While developing this guidance, the IESBA also emphasizes the importance of professional accountants not simply accepting information at face value when exercising professional judgment,” noted IESBA Technical Director, Ken Siong.

Once finalized, this material will be included in the [clarified and restructured Code](#) that the IESBA

plans to complete by the end of 2017. Beyond this, the IESBA will continue to explore further issues relating to professional skepticism in close coordination with the IAASB and IAESB, and in consultation with stakeholders.

How to Comment

The IESBA invites all stakeholders to comment on the Exposure Draft by visiting the Ethics Board's website at www.ethicsboard.org. Comments are requested by **July 25, 2017**.

About the IESBA

The [IESBA](http://www.ethicsboard.org) is an independent standard-setting board that develops and issues, in the public interest, high-quality ethical standards and other pronouncements for professional accountants worldwide. Through its activities, the IESBA develops the *Code of Ethics for Professional Accountants*, which establishes ethical requirements for professional accountants. The structures and processes that support the operations of the IESBA are facilitated by IFAC. Please visit www.ethicsboard.org for more information, and follow us on Twitter [@Ethics Board](https://twitter.com/Ethics_Board).

About IFAC

[IFAC](http://www.ifac.org) is the global organization for the accountancy profession dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies. IFAC is comprised of more than 175 members and associates in more than 130 countries and jurisdictions, representing almost 3 million accountants in public practice, education, government service, industry, and commerce.

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