



稅 + 852 2511 7414  
香港灣仔告士打道5號  
稅務大樓

**INLAND REVENUE DEPARTMENT**

REVENUE TOWER,  
5 GLOUCESTER ROAD, WAN CHAI,  
HONG KONG.

Handwritten initials and date: 2/2/16

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COMMISSIONER OF INLAND REVENUE,  
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來函請敘明本局檔案號碼  
IN ANY COMMUNICATION PLEASE QUOTE OUR FILE NO.

檔案號碼：**HQ 502/141 Pt. 28**  
File No.:

Mr Chris Joy  
Executive Director  
Hong Kong Institute of  
Certified Public Accountants  
37/F, Wu Chung House  
213 Queen's Road East  
Wanchai, Hong Kong

電話： 2594 5037  
Tel. No.:  
傳真： 2511 7414  
Fax No.:  
電郵： [sw\\_chan@ird.gov.hk](mailto:sw_chan@ird.gov.hk)  
E-mail:  
發出日期： 19 February 2016  
Date of Issue:

Dear Mr Joy,

Handwritten signature and initials: dmr -> sky

**IESBA Exposure Draft  
Proposed Revisions Pertaining to Safeguards in the Code – Phase 1**

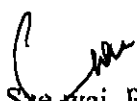
Thank you for your letter dated 12 January 2016 inviting our comments on the exposure draft (“the Exposure Draft”) issued by the International Ethics Standards Board for Accountants (“IESBA”) in respect of the proposed revisions pertaining to safeguards in the Code of Ethics for Professional Accountants (“the Code”).

The Exposure Draft seeks to clarify the meaning of safeguards and to make sure that they directly relate to identified threats to compliance with the fundamental principles of the Code. The key enhancements proposed in the Exposure Draft include, among others, (a) more robust and prominent requirements related to the application of the conceptual framework; (b) a clearer and more robust description of the concept of safeguards, and clarified and streamlined examples of safeguards; and (c) new guidance regarding the application of the concept of a “reasonable and informed third party” that is essential to properly applying the conceptual framework.

We welcome the IESBA’s initiative and broadly support its proposal to improve the clarity, appropriateness and effectiveness of the safeguards in the Code. Insofar as tax administration is concerned, we have no comment on the proposed enhancements and the questions posed in the Exposure Draft.

We are grateful for the opportunity to provide our comments on the Exposure Draft.

Yours sincerely,

  
(CHAN Sze wai, Benjamin)  
for Commissioner of Inland Revenue