



Our Ref.: C/EC

15 August 2018

Ken Siong
Technical Director
International Ethics Standards Board for Accountants
529 Fifth Avenue, 6th Floor
New York, NY 10017
The United States of America

Dear Sir,

IESBA Consultation Paper
Professional Skepticism – Meeting Public Expectations

The Hong Kong Institute of Certified Public Accountants is the only body authorised by law to set and promulgate financial reporting, auditing and ethical standards for professional accountants in Hong Kong. We are grateful for the opportunity to provide you with our comments on this Consultation Paper (CP).

We appreciate the IESBA's time and effort in organizing the Tokyo Roundtable and hearing the views of stakeholders on these topical and important topics.

Local stakeholders, in particular, our PAIB members have expressed concerns with options 1, 2 and 3. Professional accountants in general are familiar with "professional scepticism" in the auditing context. Our PAIB stakeholders have concerns if they were expected to apply the same level of "professional scepticism" as would auditors in their daily work.

We believe the concept of "professional skepticism" is embedded in the fundamental principles set out in the IESBA Code. Professional accountants (in practice and in business) should uphold the fundamental principles in their work engagements. Therefore, it would be difficult for stakeholders to fully understand the need to define and require all professional accountants to adhere to another "requirement" on top of the fundamental principles.

As discussed at the Tokyo Roundtable, the concept of "professionalism" and to introduce to the IESBA Code an overarching statement for professional accountants to act in public interest and uphold the fundamental principles etc would be a more appropriate approach for IESBA to move forward on this project.

With the additional guidance proposed for options 4 and 5 as well as more co-ordination with the IAESB, professional accountants would enhance their understanding of the fundamental principles, its application and how their professional behaviour affect public trust. Additional guidance such as application guidance in the Code, staff publication, implementation guidance, case studies would be useful.



Hong Kong Institute of
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If you have any questions regarding the matters raised above, please contact Selene Ho, Deputy Director of the Standard Setting Department (selene@hkiipa.org.hk).

Yours faithfully,

Chris Joy
Executive Director

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