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Sent electronically through the IESBA Website ([www.ethicsboard.org](http://www.ethicsboard.org))

3 July 2023

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

Dear Sir,

**The IESBA Consultation Paper  
Proposed IESBA Strategy and Work Plan, 2024–2027**

The Hong Kong Institute of Certified Public Accountants (HKICPA) is the only statutory body in Hong Kong that sets auditing and assurance standards, ethical standards, financial reporting standards as well as sustainability disclosure standards for professional accountants in Hong Kong. We welcome the opportunity to provide our comments on the captioned IESBA Consultation Paper (CP).

Overall, we support the proposed strategy and work plan set forth in the CP, including the proposed strategic drivers, strategic themes, strategic actions and the work streams for 2024–2027.

Sustainability reporting has become a widely adopted practice among companies and this trend is expected to continue growing in the coming years. There is a rapidly growing demand for the development of assurance standards and ethics standards for sustainability reporting to enhance public trust in the profession. We fully support the IESBA's decision to prioritize the sustainability project to develop profession-agnostic independence standards for sustainability assurance, as well as ethics standards for sustainability reporting and assurance. This demonstrates a strong dedication to promoting ethical behavior and enhancing the credibility of sustainability reporting, ultimately benefiting stakeholders and the public interest. We also encourage the IESBA to continue engaging with regulators to emphasize the significance of ensuring consistency in engagement performance and adhering to the high ethics standards on sustainability assurance, not only for providers within the accountancy profession but also for those outside of it. Non-professional accountants who provide assurance services are generally not subject to the same level of regulation as professional accountants, but it is still important for them to adhere to the principles and standards set out in the IESBA Code of Ethics for Professional Accountants (including International Independence Standards) (Code) in order to maintain their credibility and the integrity of their services.

We consider the IESBA has appropriately identified the strategic drivers (pages 7-11) and the strategic themes and actions (pages 11-15) based on relevant trends and developments which provide a reasonable basis for the IESBA to shape its proposed strategy and work plan. For example, the IESBA recognizes supporting the effective implementation of its standards as one of the strategic drivers. In this connection, we find the database of public interest entity (PIE) definitions by jurisdiction and the Q&As – revisions to the definitions of listed entity and

PIE in the Code recently released by the IESBA are of significant value to promote awareness and support the adoption and effective implementation of the PIE revisions at the local level. We therefore encourage the IESBA to persist in its efforts to provide implementation support to ensure effective and consistent application of new and revised standards, while balancing its time and resources on other standard-setting activities.

In general, we agree with the identified topics set out in Table B as potential work streams (pages 18-21), in which, the following work streams may warrant higher priorities among the others.

- **Role of CFOs and Other Senior PAIBs**  
Consistent with our comments raised in the [IESBA Strategy Survey 2022](#), in light of the limited guidance for PAIBs in the Code, and the evolving roles of CFOs in Hong Kong and globally, we would recommend the IESBA to develop additional guidance, in form of non-authoritative material, regarding how to address ethics issues and challenges faced by the CFOs and PAIBs rather than undertaking further revisions to the Code.
- **Custody of data**  
We agree with the IESBA's view that custody of data is crucial to both financial and non-financial reporting. Failure to safeguard the data may result in significant consequences to employing organizations or clients. Given the sensitive nature of data entrusted to professional accountants by clients, customers, or other third parties, we agree that the IESBA should investigate the ethics implications of a professional accountant's custody of the relevant data.

Furthermore, we believe it is important that the IESBA carries out the pre-committed work streams outlined in Table C (pages 21-22) concerning post-implementation reviews of various Code revisions, including Long Association (Phase 2), Restructured Code, Non-Assurance Services, Fees and the Definition of Public Interest Entity. We believe these work streams would facilitate the successful implementation of the Code. Considering the effective dates of the revisions to the Code, we find the possible commencement dates of these work streams as set out in Table C to be reasonable.

We appreciate the coordination between the IESBA and the International Auditing and Assurance Standards Board (IAASB) on a number of key projects, for examples, the IESBA's Engagement Team – Group Audits Independence project and the IAASB's Group Audits project, etc. We highly encourage the IESBA to sustain its coordination with the IAASB and the International Organization of Securities Commissions (IOSCO) on the sustainability project and other projects, where appropriate.

We trust that our comments are of assistance to you. 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](mailto:selene@hkiipa.org.hk)).

Yours faithfully,

**Cecilia Kwei**  
Director, Standard Setting Department