

ETHICS BOARD PROPOSES STRENGTHENED GUIDANCE FOR PROFESSIONAL ACCOUNTANTS IN BUSINESS

(New York, New York, November 25, 2014) – The International Ethics Standards Board for Accountants® (IESBA®, the Ethics Board) today released for public comment the Exposure Draft (ED), *Proposed Changes to Part C of the Code Addressing Presentation of Information and Pressure to Breach the Fundamental Principles*. The proposals respond to the need for more robust and practical guidance to help professional accountants in business (PAIBs) deal with two matters on which they most often seek assistance in practice: their responsibility to produce financial reports that are faithful representations of the economics of transactions, and pressure to breach fundamental ethical principles.

“PAIBs play an important role in the financial reporting supply chain, and they may encounter pressure to act unethically. The proposed guidance will help them understand what their options are, and therefore better support them in fulfilling their responsibility to act in the public interest,” said interim IESBA Chair Wui San Kwok. “The proposal also clarifies that when preparing financial information, exercising discretion—for example, when selecting an accounting method—in a manner that is intended to mislead is not acceptable.

Among the proposed changes are:

- Fuller and more explicit guidance regarding PAIBs’ responsibilities when presenting information;
- Strengthened guidance on how a PAIB can disassociate from misleading information;
- An expanded description of pressure that may lead to a breach of the fundamental principles in the *Code of Ethics for Professional Accountants™* (the Code) together with practical examples to illustrate different kinds of situations in which such pressure may arise; and
- New guidance to assist PAIBs in identifying and responding to pressure that could result in a breach of the fundamental principles.

The Ethics Board is also proposing a number of related changes to other areas within Part C of the Code.

“The development of this enhanced guidance reflects a rebalancing of the board’s focus to be more inclusive of PAIBs, a very large and important part of the accountancy profession,” noted IESBA Technical Director Ken Siong. “It will serve to remind PAIBs of some of the fundamental ethical principles by which they should be guided in their different roles within their organizations, and with which they must comply.”

How to Comment

The Ethics Board invites all those with an interest in international ethics standards for the accountancy profession to respond to the Exposure Draft. To access the ED and submit a comment, please visit the Ethics Board’s website at www.ethicsboard.org. Comments are requested by **April 15, 2015**. The Ethics Board encourages national and regional professional accountancy organizations to share the ED and encourage participation from their members and employees.

About the IESBA

The [IESBA](http://www.ethicsboard.org) develops ethics standards and other pronouncements for professional accountants worldwide under a shared standard-setting process involving the Public Interest Oversight Board, which oversees the activities of the IESBA, and the IESBA Consultative Advisory Group, which provides public interest input into the development of the standards and other pronouncements. 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 over 175 members and associates in 130 countries and jurisdictions, representing approximately 2.5 million accountants in public practice, education, government service, industry, and commerce.

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