

7 July 2023

Mr Geoff Kwan  
IESBA Director  
International Ethics Standards Board for Accountants  
529 Fifth Avenue  
New York, NY 10017  
USA

Dear Sir,

**RESPONSE TO THE INTERNATIONAL ETHICS STANDARDS BOARD FOR ACCOUNTANTS (“IESBA”) CONSULTATION PAPER (“CP”) – PROPOSED IESBA STRATEGY AND WORK PLAN, 2024 – 2027**

For this CP, the Institute of Singapore Chartered Accountants (ISCA) sought views from its members through a one-month public consultation and discussed the CP with members of the ISCA Ethics Committee.

Our comments to selected questions in the CP are as follows:

*Strategic Drivers, Themes and Actions*

**Question 1. Do you agree with the IESBA’s Proposed Strategic Drivers (see pp.9-13)?**

**Question 2. Do you agree with the IESBA’s Proposed Strategic Themes and Proposed Strategic Actions (see pp.13-18)?**

We are largely supportive of the proposed strategic drivers, themes and actions.

We support the IESBA’s commitment and timely response to the developments relating to sustainability reporting and assurance. As sustainability reporting and assurance is expected to continue to be the main focus globally in the coming years, ethics and independence standards will need to keep up with global developments to stay relevant. Hence, we agree that the IESBA should prioritise the sustainability and use of experts projects in its strategy and work plan (SWP) for 2024 – 2027 with a view to approving the exposure drafts by Q4 2023.

*Proposed Work Plan for 2024 – 2027*

**Question 4. Do you believe the IESBA should accelerate or defer any particular ongoing, potential or pre-committed work stream(s) set out in Tables A, B and C? Please explain your reasons.**

We are encouraged that IESBA had placed high priority on strengthening the independence standards in its SWP for 2019 – 2023 and issued revised standards addressing the

permissibility of non-assurance services (NAS) to audit clients and fee-related matters. IESBA had also finalised an expanded definition of public interest entities (PIEs) which would be effective 15 December 2024.

We are supportive of the IESBA undertaking the NAS and Fees post-implementation reviews (PIRs)(set out in Table C) in conjunction with the PIR of the PIE revisions to have a holistic understanding of the impact of these revised provisions. We believe that the profession should focus on adjusting and adapting to the NAS, Fees and PIE revisions which contain significant amendments, and recommend that the IESBA accelerate these PIRs before taking on potential new topics set out in Table B.

In addition, we urge the IESBA to give the profession a longer transition period on the adoption of revised standards, especially those with a tight timeframe between approval and effective dates. This approach would allow professional accountants (PAs) to work towards compliance as early as possible while providing time for controls and processes to be fine-tuned after the effective date. For instance, whilst we support IESBA's proposal to dedicate its focus on the sustainability and use of experts projects (set out in Table A), we believe that a longer transition period is crucial given the intent to apply the same set of requirements to non-PAs, necessitating increased effort and time on the part of national standard setters.

**Question 5. Are there other topics the IESBA should consider as potential new work streams? If so, please indicate whether these topics are more important than the topics identified in Table B (see pp.22-24), and the needs and interests that would be served by undertaking work on such topic(s).**

We note that IESBA has issued technology-related revisions to the Code in April 2023 to enhance the Code in guiding the mindset and behaviour of PAs when they use technology. As these revisions would address the use and disclosure of confidential information, we do not believe that a separate project (set out in Table B) is necessary to capture ethics considerations relating to the custody of data.

Among other technologies, one evolving technology that is fast gaining grounds and applications is artificial intelligence (AI), and more specifically, generative AI. Its emergence poses many new issues and challenges to the profession with ensuing risks, opportunities and other ethical implications.

It is thus timely that the IESBA's Technology Working Group (TWG) has considered the impact of AI, big data and data analytics on ethical behaviour of PAs. We are supportive of the TWG's Phase 2 report issued in November 2022 which recommended the development of non-authoritative guidance around transparency and explainable AI and data used in AI training. In this regard, we recommend that IESBA consider including this project under Table B.

Should you require any further clarification, please feel free to contact Ms Alice Tan at [alice.tan@isca.org.sg](mailto:alice.tan@isca.org.sg) or Ms Ng Shi Zhen at [shizhen.ng@isca.org.sg](mailto:shizhen.ng@isca.org.sg).

Yours faithfully,



Mr Wai Geat, KANG  
Divisional Director  
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