

18 June 2019

Mr Ken Siong
Senior Technical 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 EXPOSURE DRAFT (“ED”) – PROPOSED REVISIONS TO PART 4B OF THE CODE TO REFLECT TERMS AND CONCEPTS USED IN ISAE 3000 (REVISED)

In preparation of this comment letter, the Institute of Singapore Chartered Accountants (“ISCA”) has sought views from its members on the above ED through a one-month public consultation and discussed the ED with members of the ISCA Ethics Committee.

Generally, we agree with the conforming changes in the ED to be aligned where appropriate, to be consistent with the terms and concepts used in ISAE 3000 (Revised).

We support the proposed changes in terminology, including the revised definition of assurance client.

The existing definition requires the professional accountant (“PA”) to be independent of only the party taking responsibility for the subject matter information. In our view, the revised definition is an improvement that is necessary as it is fundamental for the PA to remain independent of the responsible party in an attestation engagement.

Independence requirements in an attestation engagement

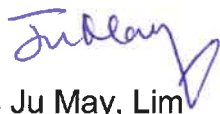
We note that the revised definition of assurance client includes both the responsible party and the party taking responsibility for the subject matter information in an attestation engagement. This means that when the responsible party involves another

party to measure or evaluate the underlying subject matter against the criteria (“measurer or evaluator”) but retains responsibility for the subject matter information, the PA is only required to be independent of the responsible party.

We question the appropriateness of not requiring the PA to be independent of the measurer or evaluator. We believe that the PA should remain independent of the measurer or evaluator, especially in instances where this party has contributed substantively to the outcome or decisions.

Should you require any further clarification, please feel free to contact myself or Ms Ng Shi Zhen, Manager, TECHNICAL: Ethics & Specialised Industries, from ISCA via email at jumay.lim@isca.org.sg or shizhen.ng@isca.org.sg respectively.

Yours faithfully,



Ms Ju May, Lim
Deputy Director
TECHNICAL: Financial & Corporate Reporting;
Ethics & Specialised Industries;
Audit & Assurance