



**The Japanese Institute of
Certified Public Accountants**

4-4-1 Kudan-Minami, Chiyoda-ku, Tokyo 102-8264, Japan
Phone: 81-3-3515-1130 Fax: 81-3-5226-3355
Email: international@sec.jicpa.or.jp

October 1st, 2021

Mr. Ken Siong
Senior Technical Director
International Ethics Standards Board for Accountants
International Federation of Accountants
529 Fifth Avenue, 6th Floor,
New York, NY 10017
USA

Dear Mr. Siong:

Re: JICPA comments on the IESBA Exposure Draft, *Proposed Quality Management-related Conforming Amendments to the Code*

The Japanese Institute of Certified Public Accountants (JICPA) expresses its appreciation for the activities of the International Ethics Standards Board for Accountants (IESBA), and is grateful for the opportunity to share its comments on the IESBA Exposure Draft, *Proposed Quality Management-related Conforming Amendments to the Code*.

Our responses to the specific questions raised by the IESBA are as follows:

I. Request for Specific Comments

1. Do you agree with the proposed conforming amendments in this ED?

(Comment)

We agree with the proposed amendment.

2. In addition to the proposed conforming amendments, the IESBA also considered the matter raised concerning decisions about accepting or providing services to a client in paragraph 300.7 A5. See explanation in the margin of paragraph 300.7 A5 (page 9).

Do you agree with the IESBA's view on this matter? If not, please explain why.

(Comment)

Many firms have established the procedure that partner in charge makes an initial decision upon accepting services, and the firm makes the final decision. Accordingly, in that sense final decision-making authority in relation to acceptance is not, in effect, granted to individual partners. For this reason, we believe that the phrase “including decisions about accepting or providing services to a client” in paragraph 300.7 A5 should be deleted in order to avoid misunderstandings, in line with the comments made by the International Auditing and Assurance Standards Board (IAASB). Conversely, given that it is likely that there will be cases that do not conform to these circumstances in some jurisdictions or in some firms, we believe it would also be possible not to delete the phrase in question but to add “if applicable” to the phrase in question.

3. Do you agree with the proposed effective date? If not, please explain your reasoning.

(Comment)

We agree with the proposed effective date.

II. Request for General Comments

● *Small- and Medium-Sized Entities (SMEs) and Small and Medium Practices (SMPs)* – The IESBA invites comments regarding any aspect of the proposals from SMEs and SMPs.

(Comment)

Not applicable.

● *Regulators and Audit Oversight Bodies* – The IESBA invites comments on the proposals from an enforcement perspective from members of the regulatory and audit oversight communities.

(Comment)

We do not have any specific comments.

● *Developing Nations* – Recognizing that many developing nations have adopted or are in the process of adopting the Code, the IESBA invites respondents from these nations to comment on the proposals, and in particular on any foreseeable difficulties in applying them in their environment.

(Comment)

Not applicable.

● *Translations* – Recognizing that many respondents may intend to translate the final changes for adoption in their own environments, the IESBA welcomes comment on potential translation issues respondents may note in reviewing the proposals.

(Comment)

We do not have any specific comments on the wording used in the Exposure Draft from the perspective of translation into Japanese.

However, English is not the official language in Japan, thus, it is inevitable to translate the Code from English to Japanese in an understandable manner. For this reason, we pay close attention to the wording used in the Code in respect of whether it is translatable and comprehensible when translated. We therefore request the IESBA to avoid lengthy sentences and to use concise and easily understandable wording.

We hope the comments provided above will contribute to the robust discussions at the IESBA.

Sincerely yours,

Toshiyuki Nishida

Executive Board Member - Ethics Standards

The Japanese Institute of Certified Public Accountants