

**Stellungnahme zum IESBA Exposure Draft *Proposed Application Material Relating to:*  
*(a) Professional Skepticism – Linkage with the Fundamental Principles; and*  
*(b) Professional Judgment – Emphasis on Understanding Facts and Circumstances***

Die WPK hat mit Schreiben vom 24. Juli 2017 gegenüber dem International Ethics Standards Board for Accountants (IESBA) zu dessen Exposure Draft Proposed Application Material Relating to:

- (a) Professional Skepticism – Linkage with the Fundamental Principles; and
  - (b) Professional Judgment – Emphasis on Understanding Facts and Circumstances
- wie nachfolgend wiedergegeben Stellung genommen.

The Wirtschaftsprüferkammer (WPK) is pleased to take this opportunity to comment on the above mentioned Exposure Draft and the proposed changes to the Code of Ethics for Professional Accountants (hereinafter referred to as “the ED” and “the Code”, respectively). The WPK is highly committed to the Code and we appreciate and support the efforts of the IESBA to further increase the quality of the Code.

Relating to the present project, we generally deem a clarification and guidance on how compliance with the fundamental principles supports the exercise of professional scepticism as helpful. The same is true in relation to emphasizing the importance of understanding facts and circumstances in relation to exercising professional judgment.

However, we would like to point out once again that the frequency of the IESBA EDs, particularly this year, has reached a pace which is hard to keep up with. We believe the profession needs time to digest the changes to the Code in order to carry out corresponding inhouse-implementation measures within the firms. The same is true for IFAC’s member organizations as most of them need to translate the changes in a first step before being able to display efforts as to how to implement the changes in their respective national laws. Particularly the latter process is usu-

ally time-consuming since it requires an involvement of the relevant stakeholders and is usually subject to an approval process by an oversight authority.

*Request for Specific Comments*

*Proposed Application Material Relating to Professional Skepticism (paragraph 120.13 A1)*

1. *Do respondents agree that the proposed application material enhances the understandability of the conceptual framework in Section 120 of the proposed restructured Code?*

We generally deem additional application material aimed at enhancing the understandability of the conceptual framework in Section 120 of the proposed restructured Code as helpful.

Relating to the specific examples proposed we would like to refer to our answer to question 2.

2. *Do the examples in the proposed application material clearly describe how compliance with the fundamental principles of integrity, objectivity, and professional competence and due care support the exercise of professional skepticism in the context of an audit of financial statements? If not, why not?*

We welcome, as already noted, new examples to increase the understandability of how compliance with the fundamental principles supports the exercise of professional scepticism. However, the examples proposed state, in part, what is self-evident or not necessarily logical. Hence we are concerned about a possible confusion of the profession. Furthermore the examples should be kept as short as possible in order to avoid further complexity of the Code.

*Proposed Application Material Relating to Professional Judgment (paragraph 120.5 A1)*

3. *Do respondents agree that the proposed application material enhances the understandability of the conceptual framework in Section 120 of the proposed restructured Code?*

We appreciate additional application material to improve the understandability of the conceptual framework in Section 120 of the proposed restructured Code. For further details, please refer to our answer to question 4.

4. *Do respondents agree that the proposed application material appropriately emphasizes the importance of professional accountants obtaining a sufficient understanding of the facts and circumstances known to them when exercising professional judgment in applying the conceptual framework? If not, why not?*

We welcome, as already noted, new application material to emphasize the importance of understanding facts and circumstances in relation to exercising professional judgment. Relating

to the present proposals we wonder if they could be drafted more clearly and kept as short as possible in order to avoid further complexity of the Code.

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We hope that our comments are helpful. If you have any questions relating to our comments in this letter, we should be pleased to discuss matters further with you.