



National Association of State Boards of Accountancy

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April 15, 2016

International Ethics Standards Board
for Accountants
International Federation of Accountants
529 Fifth Avenue, 6th Floor
New York, New York 10017

Via email: KenSiong@ethicsboard.org

Attention: Ken Siong, IESBA Technical Director

Re: December 2015 Exposure Draft on Improving the Structure of the Code of Ethics for
Professional Accountants—Phase 1

Dear Members and Staff of the International Ethics Standards Board for Accountants (IESBA):

The National Association of State Boards of Accountancy (NASBA) appreciates the opportunity to offer comments to the above referenced Exposure Draft. NASBA's mission is to enhance the effectiveness and advance the common interests of the Boards of Accountancy that regulate all certified public accountants and their firms in the United States and its territories.

In furtherance of that objective, we offer the following comments on the Exposure Draft. We have keyed our responses to the questions as presented on page 11-12 of the Exposure Draft.

Refinements to the Code

Do you agree with the proposals, or do you have any suggestions for further improvement to the material in the ED, particularly with regard to:

Items (a) through (g)

It is not clear why items 11 and 12 in the proposed Guide to the Code as "Exceptional Circumstances" are not still included in the Code. We believe that these sections should be within the Code.

Other than the item noted above, we do not have any specific comments regarding the proposals. However, we noted some changes to the Code for items that were exposed in a previous exposure draft dated December 2015 *Exposure Draft on Proposed Revisions Pertaining to*

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Safeguards in the Code—Phase 1. Since comments were due on that earlier exposure draft March 21, it seems premature of IESBA to make these changes without having had any review of comments related to those matters.

Do you believe the restructuring will enhance the adoption of the code?

We understand, through the work of the AICPA’s Professional Ethics Executive Committee, which has significant NASBA representation that the AICPA Code is currently substantially in agreement with the IESBA Code. We believe the approach taken by the IESBA in this restructuring project is primarily to improve the international code’s clarity and usefulness and will not change its underlying requirements. Consequently, even though U.S. CPAs will continue to follow the AICPA Code or a substantially similar code approved by State Boards in the foreseeable future, the restructuring approach should enhance adoption of the IESBA Code in other parts of the world. This should be particularly helpful in minimizing differences globally.

Is the proposed title for the restructured Code appropriate?

We believe the word “Standards” could be dropped from the title. Something more succinct like “Code of Ethics for Professional Accountants” should be considered.

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Thank you for the opportunity to comment on the December 2015 *Exposure Draft Improving the Structure of the Code of Ethics for Professional Accountants—Phase 1.*

Very truly yours,



Donald H. Burkett, CPA
NASBA Chair



Ken L. Bishop
NASBA President and CEO