

April 30, 2024

TO: IESBA

REF.: EXPOSURE DRAFT ON USE OF EXTERNAL EXPERTS

Dear Sirs,

On April 4, 2024 the fifteen jurisdictions that form UNCTAD's Latin America Regional Alliance (ARL) met virtually to establish a joint-response to the Exposure Draft on Use of External Experts. The following countries are members of the ARL:

	<b>Country</b>	<b>Institution</b>
1	<b>Argentina</b>	Argentinian Federation of Professional Bodies of Economic Sciences (FAPCE)
2	<b>Brazil</b>	Federal Council of Accounting of Brazil
3	<b>Brazil</b>	CBPS
4	<b>Brazil</b>	Securities Commission of Brazil
5	<b>Chile</b>	Professional Body of Accountants of Chile
6	<b>Colombia</b>	Technical Council of Public Accountancy of Colombia
7	<b>Colombia</b>	Office of the General Accountant of Colombia
8	<b>Colombia</b>	National Institute of Public Accountants of Colombia
9	<b>Costa Rica</b>	Corporate Alliance for Development of Costa Rica
10	<b>Costa Rica</b>	Professional Body of Accountants of Costa Rica
11	<b>El Salvador</b>	Institute of Public Accountants of El Salvador
12	<b>Dominican Republic</b>	ECORED - Dominican Republic
13	<b>Dominican Republic</b>	Ministry of Economy, Planning and Development of Dominican Republic
14	<b>Dominican Republic</b>	Ministry of Environment of Dominican Republic

15	<b>Dominican Republic</b>	Ministry of Industry, Trade and SMEs of Dominican Republic
16	<b>Dominican Republic</b>	Nacional Business Council of Dominican Republic
17	<b>Ecuador</b>	Professional Body of Accountants of Pichincha and Ecuador
18	<b>Ecuador</b>	Ministry of Finance and Economy of Ecuador
19	<b>Ecuador</b>	National Secretariat of Planning of Ecuador
20	<b>Guatemala</b>	Center for Business Social Responsibility Action in Guatemala (CentraRSE)
21	<b>Guatemala</b>	Professional Body of Accountants and Auditors of Guatemala
22	<b>Guatemala</b>	Ministry of Economy of Guatemala
23	<b>Honduras</b>	Technical Board of Accounting and Auditing Standards of Honduras
24	<b>Mexico</b>	Mexican Financial Reporting Standards Board (CINIF)
25	<b>Mexico</b>	Mexican Institute of Public Accountants
26	<b>Panama</b>	Superintendency of Securities of Panama
27	<b>Panama</b>	Professional Body of Public Authorized Accountants of Panama
28	<b>Paraguay</b>	Commission of Securities of Paraguay
29	<b>Paraguay</b>	Council of Public Accountants of Paraguay
30	<b>Paraguay</b>	General Directorate of Public Accounting- Ministry of Economy and Finance
31	<b>Peru</b>	Ministry of Finance and Economy of Peru
32	<b>Peru</b>	Superintendency of Securities of Peru

Two Board Members of IESBA, Mr. Hector Lehuede and Mrs Vania Borgerth, made a short presentation on the material and answered a few questions from the participants. The meeting was attended by Mr. Manuel Arias from IFAC.

After the presentations, a tool from Zoom was used to collect answers from the participants. In order to avoid any bias, the three participants previously mentioned did not vote at this time. The meeting was recorded and the video is available if necessary.

The result of the consultation was as follows:

## **Request for Specific Comments**

### ***Glossary***

1. Do respondents support the proposals set out in the glossary concerning the proposed new and revised definitions? See Section III.

**100% of respondents supported the proposal**

### ***Evaluation of CCO for all Professional Services and Activities***

2. Do respondents support the approach regarding evaluating an external expert's competence, capabilities and objectivity?

**100% of respondents supported the proposal**

Are there other considerations that should be incorporated in the evaluation of CCO specific to PAIBs, PAPPs and SAPs? See Section V.

**No additional consideration was given.**

3. Do respondents agree that if an external expert is not competent, capable or objective, the Code should prohibit the PA or SAP from using their work? See paragraphs 67 to 74.

**100% of respondents supported the proposal**

### ***Evaluation of CCO for Audit or Other Assurance Engagements***

4. In the context of an audit or other assurance (including sustainability assurance) engagement, do respondents agree that the additional provisions relating to evaluating an external expert's objectivity introduce an appropriate level of rigor to address the heightened public interest expectations concerning external experts?

**100% of respondents supported the proposal**

If not, what other considerations would help to address the heightened public interest expectations? See Section (V)(A).

**No additional consideration was given.**

**Potential Threats Arising from Using the Work of an External Expert**

5. Do respondents support the provisions that guide PAs or SAPs in applying the conceptual framework when using the work of an external expert?

100% of respondents supported the proposal

Are there other considerations that should be included? See Section (VI)(A).

No additional consideration was given.

**B. Request for General Comments**

4. In addition to the request for specific comments above, the IESBA is also seeking comments on the matters set out below:

- *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.

Proportionality should be taken into account.

- *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.

Informative session on the provisions of the Code should be organized in order to stimulated adoption by regulators.

- *Sustainability Assurance Practitioners Other than Professional Accountants* – The IESBA invites comments on the clarity, understandability and usability of the proposals from SAPs outside of the accountancy profession who perform sustainability assurance engagements addressed in the proposed Part 5 of the Code.

No comments were provided

- *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.

No special consideration to developing nations. Ethical behaviour is expected both from developed or non-developed countries.

- *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.

**IESBA should establish similar translation policies to those adopted by IFRS Foundation.**

Yours sincerely,

*Vania M C Borgerth*

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Chair ARL