



22 February 2022

**To: Members of the Hong Kong Institute of CPAs
All other interested parties**

**INVITATION TO COMMENT ON INTERNATIONAL ETHICS
STANDARDS BOARD FOR ACCOUNTANTS ("IESBA")
EXPOSURE DRAFT PROPOSED TECHNOLOGY-RELATED
REVISIONS TO THE CODE**

Comments to be received by 20 May 2022

The Ethics Committee of the Hong Kong Institute of Certified Public Accountants is seeking comments on the IESBA Exposure Draft which has been posted on the Institute's website at:

<https://www.hkicpa.org.hk/en/Standards-and-regulation/Standards/Open-for-comment-documents/Code-of-Ethics>

The Exposure Draft seeks to enhance the [*International Code of Ethics for Professional Accountants \(including International Independence Standards\)*](#) ("the Code") robustness and expand its relevance in an environment being reshaped by rapid technological advancements. The proposed amendments will guide the ethical mindset and behavior of professional accountants in business and in public practice as they deal with changes brought by technology in their work processes and the content of the services they provide.

Among other matters, the proposals:

- Draw special attention to the professional competence and confidentiality imperatives of the digital age.
- Address the ethical dimension of professional accountants' reliance on, or use of, the output of technology in carrying out their work.
- Further enhance considerations relating to threats from the use of technology as well as considerations relating to complex circumstances in applying the Code's conceptual framework.
- Strengthen and clarify the International Independence Standards ("IIS") with respect to technology-related non-assurance services ("NAS") firms may provide to their audit clients or technology-related business relationships they may enter into with their audit clients.
- Explicitly acknowledge that the IIS that apply to assurance engagements are applicable to assurance engagements on non-financial information, for example, environmental, social, and governance ("ESG") disclosures.

The development of the proposals has been informed by extensive fact-finding work and outreach to stakeholders.

The proposed revisions build on the [role and mindset](#) changes that became effective in December 2021, and the [revised NAS provisions](#) that will become effective in December 2022.



The Ethics Committee welcomes comments on all matters addressed in the Exposure Draft, but especially those identified in the Request for Specific Comments as set out in Section VII Guide for Respondents of the Explanatory Memorandum to the Exposure Draft.

The Ethics Committee invites your comments on the Exposure Draft by **20 May 2022** to allow your comments to be considered in developing its response to the IESBA. Comments should be supported by specific reasoning and should be submitted in written form.

Comments may be sent by mail, fax or e-mail to:

Standard Setting Department
Hong Kong Institute of Certified Public Accountants
37/F., Wu Chung House
213 Queen's Road East
Hong Kong

Fax number (+852) 2865 6776
E-mail: commentletters@hki CPA.org.hk

Comments will be acknowledged and may be made available for public review unless otherwise requested by the contributor.

22 February 2022
Invitation to Comment

Response Due Date
20 May 2022

Exposure Draft

Proposed Technology-related Revisions to the Code



Hong Kong Institute of
Certified Public Accountants
香港會計師公會

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The Invitation to Comment can also be found on the Institute's website at:
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