

18 May 2023

Mr. Ken Siong
Program and Senior Director
International Ethics Standards Board for Accountants
International Federation of Accountants
529 5th Avenue
New York, New York 10017
USA

Re: *Proposed Revisions to the Code Addressing Tax Planning and Related Services*

Dear Mr. Siong,

BDO International Limited¹ (BDO) is pleased to have the opportunity to comment on the International Ethics Standards Board for Accountants' (IESBA or Board) Exposure Draft (ED) in respect of *Proposed Revisions to the Code Addressing Tax Planning and Related Services* (the ED).

General comments

1. The scope of BDO comments in this comment letter is limited to Section 380.
2. BDO welcomes and is generally supportive of the aims of introducing Section 380, *Tax Planning and Related Services* into the IESBA Code in setting out the ethical requirements in the context of Tax Planning (TP) and related services. Our understanding of certain of the proposed concepts is limited however, and this may impact the practical implementation and interpretation of the proposed section.
3. BDO believes that the public interest could be served with a principles-based framework that guides a Professional Accountant's (PA) ethical conduct and frames the mindset when providing TP and related services.
4. However, we also note that TP and related services is a regulatory matter that goes beyond the IESBA Code, given that these services are not only provided by PAs, but also by law firms and boutique advisors (e.g., a consulting firm providing advisory services on special credits, incentives or government grants). In this respect, BDO believes that the guidance provided in proposed section 380 should be considered as best practice with regards to the ethical standards to apply when providing tax planning advice and that the IESBA should encourage tax authorities to adopt the guidance so that it is applied by others, outside of the accounting profession, too. BDO recommends that the IESBA considers developing and issuing section 380 as a profession-agnostic ethical framework for use and implementation by all

¹BDO International Limited is a UK company limited by guarantee. It is the governing entity of the international BDO network of independent member firms ('the BDO network'). Service provision within the BDO network is coordinated by Brussels Worldwide Services BV, a limited liability company incorporated in Belgium. Each of BDO International Limited, Brussels Worldwide Services BV and the member firms is a separate legal entity and has no liability for another such entity's acts or omissions. Nothing in the arrangements or rules of the BDO network shall constitute or imply an agency relationship or a partnership between BDO International Limited, Brussels Worldwide Services BV and/or the member firms of the BDO network.

professionals providing TP advice (similar to the profession-agnostic ethical framework being developed for sustainability reporting and assurance). If section 380 only applies to PAs, the issues addressed in the ED may be exacerbated by creating a two-tier regulatory environment.

5. BDO believes that the IESBA has an advocacy role to play in influencing other professional bodies to implement a similar framework in their Code of Professional Conduct. If the playing field is not level, there might be a risk that some advisors providing TP and related services might resign from the professional body binding them to the IESBA Code, for example, if this lowered the cost of meeting their regulatory obligations). Alternatively, taxpayers may engage legal experts or other non-accountants (some of whom are not affiliated to a professional body) not bound to the IESBA Code.
6. There also needs to be recognition of the responsibilities of the PA versus that of the taxpayer client. It is not appropriate for responsibilities to be merely transferred to the PA, or duplicated (for example with regards to the stand-back provision and disagreement).
7. BDO also believes that the IESBA has an advocacy role to play with tax legislators, to try and ensure that what is legal is also ethical, so that additional rules, codes and practices are not required.
8. More specific comments, as well as suggestions to clarify the proposed revisions are included in our responses to the specific questions below.

A. Responses to Specific Questions

Proposed New Sections 380 and 280

1. Do you agree with the IESBA's approach to addressing TP by creating two new Sections 380 and 280 in the Code as described in Section VI of this memorandum?

9. BDO agrees with the IESBA's aim of addressing TP in the IESBA Code, to provide a framework to guide the ethical conduct and to frame the mindset of PAs in public practice when providing TP and related services to clients. BDO does not, however, fully agree with the approach taken, as detailed in the paragraphs below.

Description of Tax Planning and Related Services

2. Do you agree with IESBA's description of TP as detailed in Section VII.A above?

Paragraphs 380.5 A1-A4

10. BDO agrees in principle with the IESBA's description of TP as outlined in proposed paragraph 380.5 A1. We note that the phrase "tax-efficient manner" could be understood in a pejorative sense in some contexts, and if this phrase is to be used it should be made clear that it is not synonymous with, for example, pursuing an aggressive strategy in relation to tax. Paragraph 380.5 A2 refers to tax minimisation instead (as discussed below). A consistent description is important to avoid any confusion.

11. BDO believes it is crucial to clearly distinguish TP from compliance and dispute resolution services. The former services are typically forward-looking (i.e., addressing certain future tax outcomes), whereas the latter are typically backwards looking (i.e., reporting on events that have already occurred).
12. **BDO does not agree that the same provisions are applied to “TP related services”, i.e., tax compliance (including compliance related advisory) and tax dispute resolution services based on a TP position that another party recommended to the client, as suggested in proposed paragraph 380.5 A3. These are already covered by paragraph 110.1 A1 (c)(ii) of the IESBA Code to “... act diligently and in accordance with applicable technical and professional standards.”**
13. An example of the problems arising when conflating both sets of services, is the extent of work required to be performed by the PA in carrying out related services. A PA providing TP advice is best placed to take responsibility for the appropriateness of that advice. A PA that solely performs a compliance service relies on the TP advice obtained. Whilst a PA undertaking compliance work must employ reasonable professional scepticism when dealing with information from third parties, if that information is provided by a reputable firm, it is reasonable to place some degree of reliance on that work. Without this reliance, a PA undertaking compliance work may be left having to re-perform the work previously undertaken by another tax adviser before being able to file a tax return (with the taxpayer client therefore having to pay two sets of fees for the same advice). This is neither practical nor necessary to achieve the aims of the ED.
14. BDO is therefore of the view that TP related services based on TP advice provided by **another party** should not be subject to the proposed section 380. Rather, the PA should be permitted to place reliance on the work of other PAs, similar to the principles contained in the International Standards on Auditing, when providing backward-looking services, for example, tax compliance and tax dispute resolution services.
15. BDO further recommends that, with respect to proposed paragraph 380.5 A3, the IESBA clarifies which services are specifically excluded from related services.

Role of the PA in Acting in the Public Interest

- | |
|--|
| <ol style="list-style-type: none">3. Do you agree with IESBA’s proposals as explained in Section VII.B above regarding the role of the PA in acting in the public interest in the context of TP? |
|--|

16. BDO agrees that PAs play an important role in facilitating a more efficient and effective operation of a jurisdiction’s tax system, which is in the public interest. PAs also have a duty towards their clients in providing TP advice by contributing their knowledge, skills, and experience to assist clients in satisfying their tax obligations in the context of their personal (for individuals) or commercial (for entities) goals. An appropriate balance between these interests must be maintained. We believe this is achieved by PAs properly advising clients on the available options and choices under the relevant tax law and ensuring that taxpayers pay the relevant amounts of tax due under those laws.
17. BDO believes that by highlighting threats to compliance with the fundamental principles when providing TP advice, the ED is capable of providing PAs with guidance on how to appropriately maintain this balance. BDO believes, however, that where a PA presents different options for achieving a client’s goals (which are afforded by the relevant tax laws

and therefore have different tax outcomes), it is the client's responsibility to decide which option to take. It is possible for this decision-making process to be consistent with the 'stand back test' referred to below.

Paragraphs 380.4 A1 - A2

Tax planning goals

18. BDO's view is that PAs should typically use a client's personal, domestic or commercial objectives (rather than "tax planning goals") as a starting point for any tax advice. As noted above, where a number of different options are available to achieve a client's goal, the tax adviser is obliged to outline the different options and consequences of each option. The options may have different tax and other consequences, and ultimately the choice of the option is the client's responsibility. Where a client's personal, domestic or commercial objectives are not sufficiently plausible, the PA should consider the reputational, commercial and economic consequences of the different options, as well as the interests of the client's internal and external stakeholders.

Tax evasion

19. BDO disputes the need to refer to "tax evasion" in proposed paragraph 380.4 A2. Firstly, this may, when translated, be confused as having the same meaning as the term "tax avoidance" in some jurisdictions and may also result in inconsistencies. Secondly, no PA should ever be promoting or facilitating tax evasion and inclusion in the ED could be construed as implying the opposite. We are of the view that the intention of proposed paragraph 380.4 A2 is achieved without the use of this term and we recommend that the reference to tax evasion be removed from this paragraph. Non-compliance with Tax Laws and Regulations is sufficiently addressed in paragraph 380.7 A1.

Tax minimisation arrangements

20. It is BDO's experience that "tax minimisation arrangements" is not a phrase that is commonly used in practice and may not be well understood. Paragraph 26 of the Explanatory Memorandum explains that the term "tax efficiency" would be more neutral than "tax minimization", which is then used in describing TP services in proposed paragraph 380.5 A1 of the ED.

BDO's recommendation

21. BDO recommends that the wording of proposed paragraph 380.4 A1 be amended as follows:
... to assist clients in ~~meeting their tax planning goals~~ understanding and optimizing the tax results of their personal, domestic or commercial objectives while complying with tax laws and objectives.
22. BDO recommends that the wording of proposed paragraph 380.4 A2 be amended as follows:
... In this regard, professional accountants' role is to advise their clients on the tax results of the client's personal, domestic or commercial objectives and how to structure the client's affairs in a tax-efficient manner ~~best to meet their tax planning goals~~. In addition, accountants play an important role in assisting clients to meet their tax obligations and not seek to circumvent them ~~through tax evasion~~. However, when accountants provide such assistance, it might involve certain TP ~~minimization~~ arrangements that, although not prohibited by tax laws and regulations, might create threats to compliance with the fundamental principles.

23. BDO further recommends that all references to TP goals be amended in line with the suggestions above.

Basis for Recommending or Otherwise Advising on a Tax Planning Arrangement

4. Do you agree with the IESBA's proposals regarding the thought process for PAs to determine that there is a credible basis in laws and regulations for recommending or otherwise advising on a TP arrangement to a client or an employing organization, as described in Section VII.E above?

24. BDO agrees with the principle that PAs should determine that there is a credible basis in laws and regulations for any tax position on which they provide advice.
25. Although the terminology and intricacies may differ from one jurisdiction to the other, the requirement for a PA to establish a credible basis (within the ordinary meaning of these words) for their advice is consistent with the fundamental principle of professional competence and due care, and a practical example of operationalising the IESBA Code.
26. Having said that, although paragraph 58 of the Explanatory Memorandum states that the "likely to prevail" threshold is higher than the "credible basis" threshold, the actual intended meaning of "credible basis" is not addressed and therefore unclear.
27. Also, despite the stated intention in paragraph 52 of the Explanatory Memorandum not to 'unduly preclude' PAs advising in situations where there is no credible basis, proposed paragraph 380.11 appears to do exactly that by saying: "...otherwise advise...only if". For some backward looking tax work (such as resolving disputes with tax authorities) there may be cases where there was no credible basis for the tax position, but advice will still be needed in order to help clients remedy the position with tax authorities.

Paragraph 380.11 A3

28. While BDO notes the list of actions that a PA might take to determine that there is a credible basis, as provided in proposed paragraph 380.11 A3 of the ED, the lack of a definition for "credible basis" will make this difficult to implement.
29. The list of possible actions provided that a PA may take to determine that there is a credible basis, is wide-ranging, from the basic "reviewing the relevant tax legislation" to the conservative "consulting with the relevant tax authorities". The ED is not clear on the extent of the actions that the PA is required to take to conclude that the TP arrangement has a credible basis. Such lists included in the IESBA Code may become checklists of items to be addressed, as opposed to promoting the right mindset.
30. BDO also questions whether the action to consider how likely it is that the arrangement would be accepted by the relevant tax authorities (bullet point 7), is a suitable test of whether there is a credible basis. The tax authority does not necessarily determine the correct tax position. It may be that an arrangement is defensible in court without being accepted by the relevant tax authorities. BDO therefore recommends that greater importance should be afforded to decisions by Courts, with greater authority and persuasiveness to higher courts.

31. BDO recommends that:

- a. **“Credible basis” be defined by reference to the equivalent terms used in the professional standards, practices, laws and regulations relevant to TP services that are currently effective within the relevant jurisdiction(s).** If none are effective within the relevant jurisdiction, then the PA would default to ‘reasonable grounds’. This point seems to be accepted in proposed paragraph 380.11 A2, but for this to be clear our view is that it should be stated unequivocally; and
- b. The list of actions contained in 380.11 A3 be moved out of the ED to a guidance document, after deleting bullet point 7. If the IESBA decides to keep this list of actions in section 380, BDO recommends that it is made clear that these are just examples of actions that might be taken, and that there is no expectation for a PA to take all of these actions in all instances.
- c. The application of these actions might differ from jurisdiction to jurisdiction and this should also be acknowledged.

5. Are you aware of any other considerations, including jurisdiction-specific considerations, that may impact the proper application of the proposed provisions?

32. We are not aware of any other material considerations, that may impact the proper application of the proposed provisions but note that there are jurisdictions such as the United States where the current regulatory guidance (e.g., the U.S. Treasury Department’s Circular 230) is being reworked and it is unknown if the revised guidance will result in inconsistencies in applying IESBA’s proposed guidance. We recommend that the IESBA considers recommending disclosures for uncertain tax positions within the annual financial statements.

33. It is important for the ED to clarify the interaction of the proposed requirements contained in it with local laws, regulations and practices, particularly as it relates to the establishment of a credible basis. For example, there is the concept of:

- a. a “defendable position” in the Netherlands,
- b. a “reasonable basis” and/or “more likely than not” in North America,
- c. “not highly contrived” and/or “not contrary to the intention of Parliament” in the United Kingdom and
- d. “likely to prevail” and/or “at least arguable” in South Africa.

Consideration of the Overall Tax Planning Recommendation or Advice

6. Do you agree with the proposals regarding the stand-back test, as described in Section VII.F above?

Paragraphs R380.12 & 380.12 A2 & R380.13

34. BDO agrees with the intention behind the proposals regarding the stand-back test, although

it seems primarily meaningful only in the context of ‘tax planning’, i.e.; before the event has occurred (see earlier comments on backwards looking services). We also recommend that a clear distinction is made between the exercise of professional judgement when determining whether a credible basis exists and the consideration of the reputational, commercial and wider economic consequences. The consideration of consequences (i.e.; the stand-back test) should not interfere with the PA’s conclusion as to whether there is a credible basis. Furthermore, the expectation of the PA in the words “to consider” in paragraph R380.12 is not clear, including any actions that are expected of the PA after such consideration. Similarly, the meaning of “consequences” to be considered in paragraph R380.12 is also not clear. Potential consequences can be very broad and the PA must be able to circumscribe the consequences in the advice.

35. For example, the application material contained in proposed paragraph 380.12 A2 for the PA to consider the wider economic impact of the proposed TP arrangement across the applicable tax bases seems unduly onerous and impractical. This requirement is likely to be beyond the capabilities of many PAs. Obtaining any kind of macroeconomic analysis of the national or multinational effects is also unlikely to be a proportionate or meaningful response to any but the largest clients and/or the most far-reaching TP arrangements. The Explanatory Memorandum paragraph 65 states that no specific research is required, but this is not made clear in the relevant paragraph within section 380. Any TP advice that results in a lower tax charge than would otherwise have been the case, will inevitably lower the tax base. The material therefore implies the consideration of “tax fairness” or “tax morality” (and creates a conflict of interest for the PA), even though the preamble to the ED says that this is not intended to be addressed by the ED. BDO recommends that the IESBA reviews this in finalising the ED.
36. The proposed paragraphs also raise the question of whether PAs have fulfilled their responsibility if they have established a credible basis and considered the possible consequences of the arrangement, or whether there are further expectations. We believe that it remains the client’s responsibility to decide whether to pursue a TP arrangement or not. We also believe that a PA should not be held responsible for any adverse consequences, should a client decide to pursue a certain TP arrangement after being informed of the possible adverse consequences.
37. The requirement contained in proposed paragraph R380.13 is consistent with existing best practice in many jurisdictions, which likely also involves the PA presenting alternative TP arrangements to the client, in relation to which the reputational, commercial, and wider economic consequences are, in contrast, considered to be acceptable.

Describing the Gray Zone and Applying the Conceptual Framework to Navigate the Gray Zone

7. Do you agree with the IESBA’s proposals as outlined in Section VII.G above describing the gray zone of uncertainty and its relationship to determining that there is a credible basis for the TP arrangement?

Paragraphs 380.15 A1 & R380.16

38. BDO agrees with the intention behind the description of the gray zone of uncertainty and its relationship to determining that there is a credible basis for the TP arrangement.

39. It is BDO's experience that discussing the uncertainty with the client, as outlined in proposed paragraph R380.16 of the ED is currently best practice in many jurisdictions. Uncertainty in a proposed TP arrangement is not considered to be unusual.
40. For the list of circumstances provided in paragraph 380.15 A2, the first two bullets (difficulty in establishing an adequate factual basis and adequate assumptions) would appear to suggest that the arrangement should not go ahead at all, rather than just making it uncertain. It is hard to understand how an arrangement could fail bullets 1 and 2 and still have a credible basis. The rest of the bullets provide more appropriate circumstances of uncertainty. Some explanation of this difference would be helpful (or alternatively bullets 1 and 2 should be removed from the list of circumstances).

8. In relation to the application of the CF as outlined in Section VII.H above, is the proposed guidance on:
- (a) The types of threats that might be created in the gray zone;
 - (b) The factors that are relevant in evaluating the level of such threats;
 - (c) The examples of actions that might eliminate threats created by circumstances of uncertainty; and
 - (d) The examples of actions that might be safeguards to address such threats sufficiently clear and appropriate?

Paragraphs 380.17 A1 - A5

41. BDO agrees that the types of threats, the factors for evaluating threats and the examples of actions are generally appropriate and we believe that PAs will find them useful to some extent. We seek clarity though whether the potential threats will only arise in circumstances of uncertainty. The usefulness and clarity of these threats, factors and actions, is inevitably limited by the challenge of applying these to different practices in different jurisdictions.
42. There are a number of bullets in paragraphs 380.17 A1 & A2 on which clarification is needed in order for PAs to be able to apply them confidently:
- Some guidance will be needed on how to determine whether a fee is "significant" (bullet 3 in A1).
 - In instances where there "might" not be a credible basis, this could affect numerous cases, depending on the definition of a credible basis (as discussed above) (bullet 4 in A1).
 - The number of jurisdictions involved does not in itself seem relevant in evaluating these threats (bullet 6 in A2).
 - Again, guidance on "significance" is needed (bullet 8 in A2).
43. BDO recommends adding a link to highlight the self-review threat contained in paragraph R604.15 of the IESBA Code pertaining to the audit of a Public Interest Entity: *"A firm or a network firm shall not provide tax advisory and TP services if the provision of such services might create a self-review threat."*
44. With regards to the fifth bullet in paragraph 380.17 A2, part E of the Explanatory Memorandum appears to presume that the context may be important in interpreting

legislation even when the language used is clear and admits only one meaning. The concept of an “intention of legislation/parliament” is not straightforward as the legal systems in different jurisdictions will approach this in different ways and in some jurisdictions the intention is inferred from the words of the legislation.

Disagreement with Management

9. Do you agree with the proposals outlined in Section VII.I above which set out the various actions PAs should take in the case of disagreement with the client or with the PA’s immediate superior or other responsible individual within the employing organization regarding a TP arrangement?

Paragraphs R380.19 - R380.21

45. BDO recommends that further context is given to when a disagreement with a client could arise. It is also not clear if proposed paragraph R380.19 is meant to differ from proposed paragraph R380.13. Proposed paragraph R380.19 also appears to exclude the “reputational, commercial and wider economic” consequences as described in proposed paragraph R380.12.
46. The requirement in proposed paragraph R380.19, together with R380.20, with revisions, might be more appropriately targeted specifically at the situations where the external auditor, if any (presumably by cross-reference to auditing standards) is faced with a TP arrangement of the client, which does not meet the criteria set out in proposed paragraphs R380.11 and R380.12.
47. While BDO agrees with the proposed requirements in paragraph R380.20, the three steps seem to be overly onerous and not part of the PA’s role. Furthermore, there may be commercial sensitivity around the TP arrangement services that firms provide and we believe that merely communicating that there is a difference of views should suffice. BDO recommends that the IESBA reviews this in finalising the ED.
48. In continuing with proposed paragraph R380.20, the distinction between the TP engagement and the professional relationship is not evident. A BDO firm might be performing a number of different engagements for a client and so it is unclear if and under which circumstances a firm should withdraw from the professional relationship in its entirety. BDO recommends that the consideration to withdraw should be limited to the relevant TP engagement.

Documentation

10. Do you agree with the IESBA’s proposals regarding documentation as outlined in Section VII.J above?

49. Although the ED does not require documentation of the various considerations it proposes, to withstand possible challenges to the tax advice provided, BDO agrees that documentation should be encouraged. Where a tax position is challenged, it often occurs many years after the event, and this makes proper documentation particularly important. Documentation will also assist other PAs in forming their own opinions when required to do so. Documenting the considerations will raise the standards across the profession, but may also have the unintended consequence of increasing the cost and time taken for all TP advisory work.

Tax Planning Products or Arrangements Developed by a Third Party

11. Do you agree with the IESBA's proposals as detailed in Section VII.K above addressing TP products or arrangements developed by a third party provider?

Paragraph 380.22 A1

50. BDO agrees with the proposals addressing TP products or arrangements developed by a third-party provider in principle. If a PA refers a client to another service provider, BDO believes that the third-party provider should then be responsible for the credibility of the TP product or arrangement provided. The referring PA, without any further involvement in the product or arrangement, cannot be held responsible purely based on the referral.
51. The drafting of this paragraph, however, does not seem aligned to the usual drafting conventions applied by the IESBA. Although this is positioned as application material and "shall" has not been used as is usual practice to indicate a requirement, the language used ("provisions in this section apply") suggests that this is in fact a requirement. BDO recommends that the IESBA revisit the intention behind this paragraph and align the wording as appropriate.
52. BDO recommends that proposed paragraph 380.22 A1 of the ED clarifies further obligations, if any of the PA once the requested advice on the TP product or arrangement developed by a third party provider has been provided, particularly when the advice is not favourable. PA's should not be precluded from helping a client to address the matter, where a TP product or arrangement developed by a third party does not, in the PA's view, have a credible basis.

Multi-jurisdictional Tax Benefit

12. Do you agree with the IESBA's proposals regarding a multi-jurisdiction tax benefit as described in Section VII.L?

Paragraph 380.14 A1-A2

53. BDO questions the necessity for disclosure in instances where a credible basis has been determined for the TP in each jurisdiction. BDO recommends that the client seeks advice pertaining to the other jurisdiction. The PA may not necessarily have sufficient knowledge of the tax laws and regulations within the other jurisdiction, and should not be under any obligation (implicit or otherwise) to make recommendations to the client regarding the tax benefits derived from the transaction in the other jurisdiction and disclosure to the relevant tax authority.
54. While it is possible for the PA to advise the client to disclose (although this is normally not legally required) the information outlined in proposed paragraph 380.14 A1, the client might experience difficulty in disclosing this information to the tax authorities where there is no mechanism to facilitate such disclosure. OECD Base Erosion and Profit Sharing (BEPS) initiatives may also require disclosures in this regard.
55. In paragraph 380.14.A2, the "significance" of tax benefits is proposed as a factor for consideration for such disclosure, but it is unclear in what context this judgment of

significance is made (e.g., at the level of the client entity, the group, the economy of the jurisdiction etc.) and what the threshold is.

Proposed Consequential and Conforming Amendments

13. Do you agree with the proposed consequential and conforming amendments to Section 321 as described in Section VII.M?

56. BDO agrees with the proposed consequential and conforming amendments to Section 321.

57. In practice, a PA would not necessarily know that the client is engaging a firm for a second opinion. In addition to these conforming amendments, BDO recommends that the IESBA clarifies the PAs responsibility in establishing whether the client is in fact seeking a second opinion.

B. Other comments

Anti-avoidance Laws and Regulations

R380.6

58. Requiring the PA to advise every TP client to comply with anti-avoidance laws and regulations may give rise to including boilerplate clauses in engagement contracts. While all TP advice should comply with all relevant laws and regulations (and it is unclear why a specific reference to anti-avoidance laws is necessary), BDO believes that it would be more meaningful for the ED to require PAs to ensure that all TP advice provided complies, to the best of their knowledge, with the relevant anti-avoidance laws and regulations.

Responsibilities of Management and Those Charged with Governance

380.8 A1

59. BDO mostly agrees with this section. Clearly, there will need to be a mechanism for making clients aware of their responsibilities (this could be included in the PA's letter of engagement). We would add to this the following points:

- Jurisdictions tend to have rules on how long books and records are required to be kept and any liabilities should be limited by reference to those rules.
- Management should ensure that any TP is implemented in line with the advice received.
- Management should seek further advice if circumstances change or where such time elapses that the tax law might reasonably be expected to have changed.
- Management should have sufficient expertise to ask relevant questions to enable them to understand the advice and implement it correctly. They also have a joint responsibility to ensure that the factual assumptions used in the advice are correct.

Responsibilities of All Professional Accountants

R380.9 A1

60. It seems somewhat inconsistent to include specific client and engagement acceptance requirements for TP services (as per proposed paragraph R380.9 above) that go beyond the requirements contained within section 320 of the IESBA Code, within proposed section 380. BDO believes that, to achieve consistency in the drafting style, proposed paragraph R380.9 would be more appropriately addressed within section 320, leaving only the cross-reference to section 320 in proposed paragraph 380.9 A1.

We appreciate the opportunity to comment on the ED, which has proven to be a substantial publication by the IESBA. We hope that our comments and suggestions will be helpful to you in your deliberations and development of future recommendations.

Please contact me should you wish to discuss any of these comments.

Yours sincerely,

BDO International Limited



Basile Dura
Secretary