

Part 1: Complying with the Code, Fundamental Principles and Conceptual Framework

In this session a brief explanation on **Part 1 of the Code of Ethics for Professional Accountants (the, "CODE") / EP100** which is applicable to all professional accountants is provided.

The topics covered would be:

- 1) Complying with the Code;**
- 2) Fundamental Principles; and**
- 3) Conceptual Framework.**

We will discuss on each topic in separate KLiPs.

In this KLiP, we will discuss **1. Complying with the Code.**

In that, we will cover:

- A. Introduction**
- B. Breaches of the Code**
- C. Action taken**

A. Introduction

Complying with the Code is for serving the public interest by narrowing the expectation gap.

In acting in the public interest, a professional accountant considers not only the preferences or requirements of an individual client or employing organisation but also the interests of other stakeholders when performing professional activities.

This boosts the confidence in the public and this is the reason why businesses, governments and other organisations involve professional accountants in a broad range of areas, including financial and corporate reporting, assurance and other professional activities. This confidence is based on the skills and values that accountants bring to the professional activities they undertake, including:

- (a) Adherence to ethical principles and professional standards;
- (b) Use of business acumen;
- (c) Application of expertise on technical and other matters; and
- (d) Exercise of professional judgement.

The application of these skills and values enable the accountants to provide advice or other output that meets the purpose for which they are engaged, and which can be relied upon by the intended users.

B. Breaches of the Code

For any breach of Code identified, the professional accountant shall evaluate the significance of the breach and its impact on the accountant's ability to comply with the fundamental principles.

C. Action taken

Professional accountant shall take following steps as soon as possible for the breaches identified:

1. Take immediate actions available to address the consequences of the breach; and
2. Determine whether to report the breach to the relevant parties.

Relevant parties refer to whom such a breach might be reported. It includes those who might have been affected by it, like a professional, regulatory body or an oversight authority.

If there are circumstances where laws or regulations preclude an accountant from complying with certain parts of the Code, in such circumstances, those laws and regulations will prevail, and the accountant shall comply with all other parts of the Code.

With this we come to the end of the KLiP.

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